



CABINET

7.30 pm	Wednesday 17 January 2018	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White

Housing

Councillor Robert Benham

Children & Learning

Councillor Wendy Brice-Thompson

Adult Social Services and Health

Councillor Osman Dervish

Environment and Community Safety

Councillor Melvin Wallace

Culture and Community Engagement

Councillor Clarence Barrett

Financial Management, Transformation & IT

Councillor Ron Ower

Housing Development Company and
OneSource Management

Councillor Joshua Chapman

Deputy Cabinet Member for Housing

Councillor Jason Frost

Deputy Cabinet Member for Environment,
Regulatory Services & Community Safety

Andrew Beesley
Head of Democratic Services

For information about the meeting please contact:

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Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.**

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Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

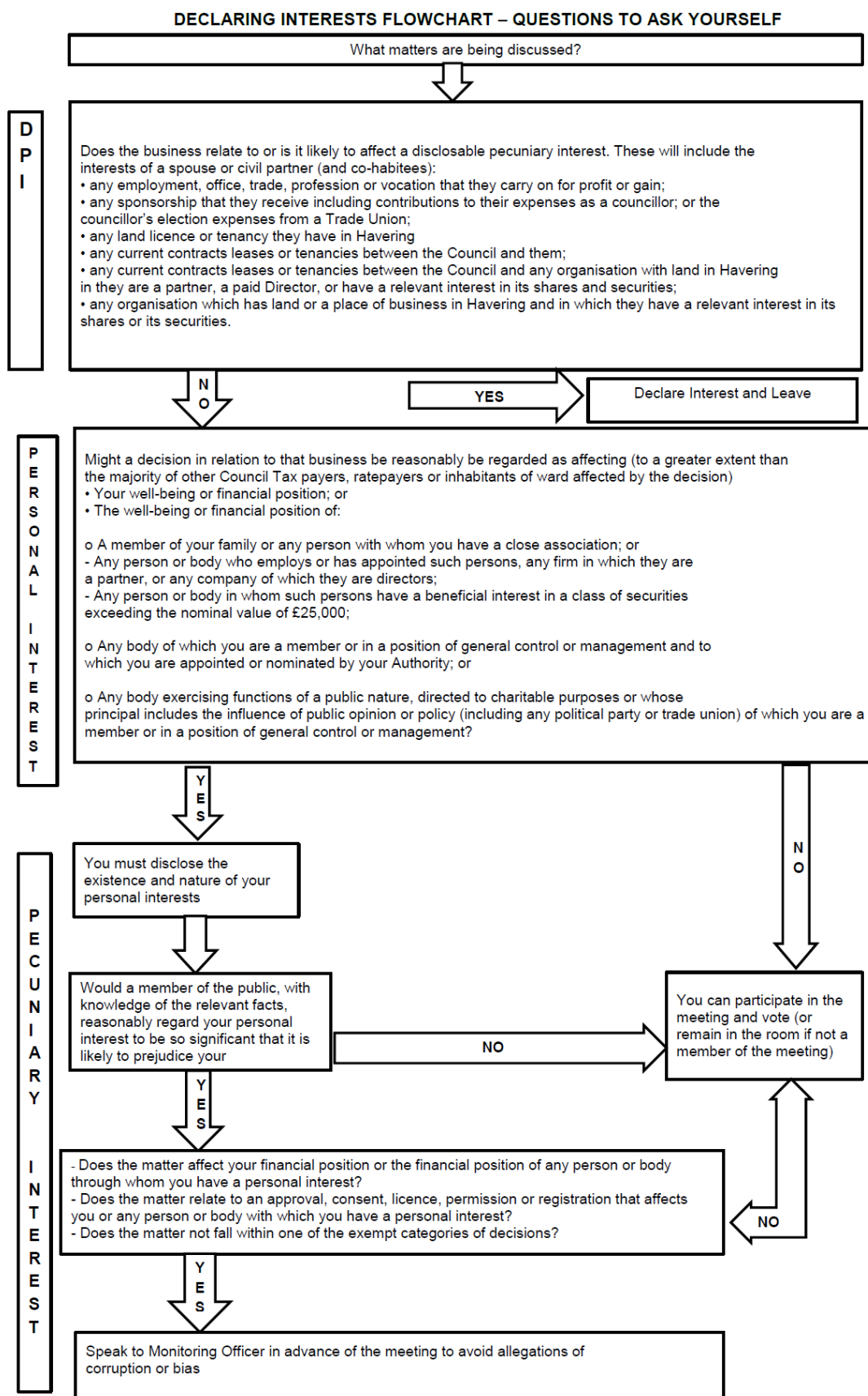
Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.



AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF INTEREST

Members are invited to disclose any interests in any of the items on the agenda at this point of the meeting. Members may still disclose an interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 10)

To approve as a correct record, the minutes of the meeting held on 13th December, 2017, and to authorise the Chairman to sign them.

5 MEDIUM TERM FINANCIAL STRATEGY AND 18/19 BUDGET UPDATE (Pages 11 - 52)

6 THE LOCAL LETTING PLAN (Pages 53 - 80)

7 APPROVAL TO ENTER INTO APPROVED PROVIDER GRANT AGREEMENT (LOCAL AUTHORITY) IN RELATION TO THE AFFORDABLE HOMES PROGRAMME 2016-2021 (Pages 81 - 158)

8 PRIVATE SECTOR HOUSING ENFORCEMENT POLICY (Pages 159 - 190)

9 HAVERING BROWNFIELD REGISTER (Pages 191 - 202)

10 THE HAVERING LOCAL PLAN (Pages 203 - 210)

11 EXCLUSION OF THE PRESS AND PUBLIC

To consider whether the press and public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the press and public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 1 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

- 12 SELECTION AND APPOINTMENT OF A JOINT VENTURE PARTNER TO DELIVER THE LONDON BOROUGH OF HAVERING'S ESTATE REGENERATION PROGRAMME** (Pages 211 - 686)
- 13 REGENERATION PROGRAMME - GOVERNANCE AND OVERALL IMPLICATIONS** (Pages 687 - 718)

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 13 December 2017
(7.30 - 8.45 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

Councillor Damian White
Councillor Wendy Brice-Thompson
Councillor Osman Dervish
Councillor Melvin Wallace

Councillor Clarence Barrett

Councillor Ron Ower

Councillor Joshua Chapman
Councillor Jason Frost

Cabinet Member responsibility:

Housing
Adult Social Services and Health
Environment and Community Safety
Culture and Community
Engagement
Financial Management,
Transformation & IT
Housing Development Company
and OneSource Management
Deputy Cabinet Member for Housing
Deputy Cabinet Member for
Environment, Regulatory Services &
Community Safety

12 ANNOUNCEMENTS

Announcements were made in relation to the evacuation procedure in the event of a fire or other emergency.

13 APOLOGIES FOR ABSENCE

There were no apologies for absence.

14 DISCLOSURES OF INTEREST

There were no declarations of interest.

15 MINUTES

The minutes of the meeting held on 15 November, 2017, were agreed and signed by the Chair.

16 UPDATE ON THE COUNCIL'S MTFS AND BUDGET FOR 2018/19

The report was presented to Cabinet by the Leader of the Council, Cllr Roger Ramsey. This detailed an update on assumptions within the Medium Term Financial Strategy (MTFS) approved by Cabinet in October, 2017 and set out further budget proposals to achieve a balanced budget for 2018/19. The report set out the proposed 5 year Capital Programme for approval to put forward to consultation and scrutiny. In addition, an overview of the proposed Business Rates Pilot Pool with effect from 2018/19 was provided. Further, the report presented proposed amendments to the Council Tax Discretionary Policy to support care leavers on low incomes to discharge their Council Tax liability.

The Council is required by statute to set a balanced budget for 2018/19 and to have a robust plan in place to achieve a financial balance over the medium term.

Key information will come from the Provisional Local Government Settlement (PLGS) which will set out the support the Local Authority will receive. This is expected in December and hoped for next week.

The October Cabinet report set out a number of Council's funding streams which were subject to further review:

- Business Rates
- Impact of the London Business Rates Pool Pilot
- Council Tax Base and Level
- Better Care Fund and Improved Better Care Fund
- New Homes Bonus
- Education Services Grant
- External Borrowing

The Leader addressed each of these matters in turn.

The future direction for the national business rates policy remains uncertain though further information is expected in the PLGS.

At the London Council's Leaders' Committee in October the establishment of a London Business Rates Pilot for 2018/19 was agreed in principle. This will be the subject of a further decision at Cabinet in January, 2018.

The Autumn Budget confirmed the power to raise the empty homes premium from 50% to 100% from April, 2018. On current data, this will generate a further £0.120m and this has been incorporated into the forecast budget figures.

Council tax base growth assumptions of £0.980 increase remains as predicted at the October Cabinet and the Council tax level will be reviewed as part of the budget report before February Cabinet and Council.

At this stage there is no further update regarding the Better Care Fund and the Adult Social Care Grant, pending the Local Government Finance Settlement. The Adult Social Care Green Paper will now be published in the summer of 2018.

The New Homes Bonus has been at risk due to Planning Applications being granted on appeal. The position is now better and more information will be provided in the January and February Cabinet reports.

The Education Services Grant has been reduced considerably and there is a shortfall in funding that will be managed as part of the ongoing transformational review of the service.

The London Business Rate Pool Pilot was reported to Cabinet in October and will be reviewed again in January. The principle to go forward with establishing a Pan-London Business Rates Pool to pilot 100% retention of business rates growth in 2018 to 2019 for a period of up to two years, was agreed on 10th October, 2017.

The Council is seeking to provide care leavers with the stability and support they need to progress confidently into independent lives. The Council will be supporting approximately 130 care leavers through the Council Tax Support Scheme.

A timetable has been established to develop further budget proposals which will be considered by Cabinet in January and February, 2018.

For the reasons set out in the report, Cabinet:

1. **Noted** the updated national financial context for local government, in year financial performance and the projected budget gap over the period 2018/19 to 2022/23 as set out in section 1 of the report and the period 6 forecast position set out in section 2 of the report.
2. **Noted** the assumptions which underpin the forecast and that further updates will be provided as further information becomes available in the build up to the budget setting in February 2018.
3. **Noted** the update on the proposed London Business Rate Pool Pilot and that this will be presented to Cabinet for a decision in January 2018.
4. **Approved** additional savings proposals of £1.390m of which £0.588m relate to 2018/19 for consultation where necessary as set out in section 6 and Appendix B of the report.

5. **Approved** growth proposals of £1.080m, all of which relate to 2018/19 for consultation where necessary as set out in section 6 and Appendix B of the report.
6. **Approved** the proposed 5-year Capital Programme for consultation and scrutiny as required as set out in section 8 of the report
7. **Noted** the updated Treasury Management position arising from the proposed Capital programme and that an updated Treasury Management Strategy will be presented in January (section 8 of the report)
8. **Approved** the amendment to the Council Tax Discretionary Policy to include supporting care leavers set out in section 4 of the report.
9. **Noted** the timetable and process for developing, reporting and considering the 2018/19 budget and MTFS as set out in section 7 of the report which will include consideration and approval of the Council Tax Support Scheme in January 2018.

17 PUBLICATION OF THE LONDON BOROUGH OF HAVERING'S AIR QUALITY ACTION PLAN 2018-2023 SUBJECT TO CONSULTATION

The Cabinet Member for the Environment, Councillor Osman Dervish presented the report to Cabinet detailing the Air Quality Action Plan (AQAP) for Havering 2018 to 2023.

This report highlights the actions the Council will take to improve local air quality. The priority is to reduce concentration of the key pollutants, Nitrogen Dioxide and Particulate Matter. In Havering these pollutants are primarily produced by road traffic in high congestion areas. Generally, areas within Greater London are failing to meet relevant standards for Nitrogen Dioxide and it is predicted that these standards will not be met until 2025.

The Borough of Havering has been designated an Air Quality Management Area and has status as a Cleaner Air Borough which the Borough seeks to maintain.

Havering has aspirations to be a more environmentally friendly Borough. And this is very important to Havering to improve public health for all especially for an older population and young families.

The draft AQAP must be subject to public and internal consultation which will commence in mid-December, 2017 for a period of 10 weeks.

Cabinet:

- 1. Agreed and approved** the draft Air Quality Action Plan appended as Appendix 1 to the report, which is to be published for the purposes of public consultation as set out in section 10.4 of the Cabinet report.

18 QUARTER 2 CORPORATE PERFORMANCE REPORT (2017/18)

The Lead Member for Financial Management, Transformation and IT presented the report to Cabinet detailing the Corporate Performance across the four Council Objectives.

The corporate performance indicators show that 25 (71%) have a green on track status, 10 (29%) have a red off track status. This is an improvement on the position at the end of Quarter 1.

The performance indicators need to be interpreted in the context of the increasing demands being placed on services across the Borough.

Councillor Clarence Barrett detailed the data through all strategic goals highlighting successes and areas where improvement is required.

Cabinet:

1. **Reviewed** the performance set out in Appendix 1 of the Cabinet Report and the corrective action that is being taken.
2. **Noted** the content of the Demand Pressures Dashboard attached as Appendix 2 to the report.

19 **JOINT COMMISSIONING STRATEGY**

The report was presented by the Cabinet Lead Member for Adult Social Services and Health.

This detailed a strategic approach to commissioning across Adult Social Care, Public Health and Children's Services. Cabinet were recommended to approve the report ahead of the public consultation process. Once the consultation process has been completed this will inform the full equalities impact assessment. Once the strategy has been finally developed following consultation it will return to Cabinet for final sign off and will be basis for all commissioners to operate from within the London Borough of Havering.

Cabinet:

1. **Approved** the draft strategy prior to public consultation and development of a full equalities assessment.
2. **Noted** that the matter will return to Cabinet for final sign off and will ultimately be the basis for operating for commissioners within the Joint Commissioning Unit, responsible for Adults Social Care, Children's and Public Health commissioning.

20 **OUTCOME OF CONSULTATION ON THE DRAFT ADULT SOCIAL CARE & SUPPORT PLANNING POLICY FOR APPROVAL**

The Cabinet Lead Member for Adult Social Care and Health presented the report to Cabinet. The draft policy on Social Care and Support Planning was drafted earlier in the year. This has now been developed to clarify and organise best practice in accordance with the council's existing duties under the care Act, 2014. It is designed to provide staff, partner agencies and those people in need of adult social care and support a definitive and helpful summary of the Care Act outlining the council's duties and responsibilities.

The report detailed the outcome of the public consultation and recommends that Cabinet approve the policy in accordance with that process.

Cabinet:

1. **Noted** and **considered** all of the comments and results of the formal consultation on the draft Adult Social Care & Support Planning policy.
2. **Noted** the changes made to the policy in response to the comments and views expressed during consultation.

3. In accordance with part 3, Section 2.1 (d) of the Constitution to determine the Council's policy in relation to all Executive matters, **approved** the Adult Social Care and Support Planning policy, which has been amended to take account of the comments and views expressed during consultation.

4. **Noted** in response to issues raised in the consultation that Adult Services will prepare plans to re-draft the Easy Read version of the policy (in further consultation with local people with a learning disability) to make it more accessible, and to develop other ways of making the policy more accessible to people with sensory disabilities.

21 **EXCLUSION OF THE PRESS AND PUBLIC**

22 **RAINHAM AND BEAM PARK HOUSING ZONE - APPOINTMENT OF A JOINT VENTURE DEVELOPMENT PARTNER.**

The Leader of the Council, Councillor Roger Ramsey presented the report to Cabinet.

This matter has been before Cabinet a number of times previously and now details a very ambitious plan for the regeneration of Rainham. The Rainham and Beam Park Housing Zone bid was submitted to the GLA on 24th September, 2014 and was successful.

Cabinet approval is now needed in principle to invest capital into a Limited Liability Partnership to contribute to the delivery of the housing zone through the development of at least 774 new homes with 35% of these being affordable units. As this investment is in excess of the available budget within the Approved Capital Programme and falls outside of the approved Treasury Management Strategy. The approval of Full Council will therefore also be required.

The recommended partner is the Notting Hill Housing Group.

The report before Cabinet set out in considerable detail the proposals of the Joint Venture arrangement.

Cabinet:

1. **Noted** that Notting Hill Housing Trust will provide an indemnity for the Council's CPO costs of £50 million should it not be possible to acquire properties by negotiation. These costs whilst initially born by NHHT through the CPO indemnity, will need to be covered in full by the JVLLP when drawn down for development or at a longstop date;

2. **Approved** inclusion of this allocation within the proposed capital programme that will be considered by Cabinet on the same agenda

in December 2017 and recommended to Council for final approval in February 2018.

3. **Approved** the inclusion of the scheme with a budget allocation of a further £10 million to meet the Council's equity contribution within the proposed capital programme that will be considered by Cabinet on the same agenda in December 2017 and recommended to Council for final approval in February 2018.

4. **Noted** that a further report addressing the governance framework and staff resources will be required to develop and deliver the Rainham scheme and other economic development schemes will be presented for consideration and approval by Cabinet in January, 2018.

Subject to the approval of the required budget and funding at recommendation 1 above, that Cabinet:

5. **Agreed** to establish a Limited Liability Partnership for the purpose of meeting the Council's regeneration objectives for Rainham by entering into a Members' Agreement with Notting Hill Commercial Property ("NHCP") (company registration number 01523328) on the basis of the Business Case and the Legal Summary appended to the exempt agenda report.

6. **Agreed** to delegate to the Leader, after consultation with the Director of Neighbourhoods, the authority to agree the name of the LLP, negotiate the final detailed terms of the agreements being entered into, and authority to agree that the Council enter into the following agreements:

- Members' Agreement;
- Strategic Land Agreement;
- CPO Indemnity Agreement;
- Any ancillary agreements or documents necessary to give effect to the setting up of the JV LLP in accordance with this Report and its appendices (all as described in the Legal Summary appended to the exempt agenda report).

7. **Authorised** the LLP to enter into the Development Management Agreement with Notting Hill Home Ownership, one of the Notting Hill group of companies, when in agreed form.

8. **Agreed** to delegate to the Leader, after consultation with the Director of Neighbourhoods, authority to agree the terms of the Development Management Agreement referred to in recommendation 5 on behalf of the Council as Member of the LLP established in accordance with recommendations 3 and 4 above.

9. **Agreed** to delegate to the Leader, after consultation with the Director of Neighbourhoods and the Section 151 Officer, authority to

approve the first Overarching Business Plan of the LLP on behalf of the Council.

10. **Agreed** to delegate to the Leader, after consultation with Cabinet Member for the Housing Company Development and OneSource Management and the Director of Neighbourhoods, authority to approve the consultation and communication plans for the regeneration of Rainham.

11. **Agreed** to delegate to the Leader, after consultation with the Director of Neighbourhoods, the appointment of nominees to represent the Council on the JVLLP board and indemnify them under the Local Authorities (Indemnities for Members and Officers) Order 2004 once the JVLLP has been set up;

12. **Agreed** that the primary purpose of the Councils participation in the JV LLP is to secure the regeneration of the Rainham and Beam Park Housing Zone.

Chairman

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Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
SLT Lead:	Julie Oldale Interim Chief Finance Officer (Section 151 officer) 01708 433 957 Julie.oldale@onesource.co.uk
Report Author and contact details:	Toyin Bamidele Financial Strategy Manager 01708 431979 Toyin.bamidele@onesource.co.uk
Policy context:	The Council is required to approve an annual budget and Medium Term Financial Strategy and this report is the third in a series of reports within that process that will conclude with the Budget and Council Tax setting Council in February 2018.
Financial summary:	This report provides an update on assumptions within the Medium Term Financial Strategy approved by Cabinet in October. It sets out further budget proposals to achieve a balanced budget for 2018/19. The report also seeks Cabinet approval for the amendments to the Council Tax Support Scheme from April 2018.
Is this a Key Decision?	Yes
Is this a Strategic Decision?	Yes
When should this matter be reviewed?	February 2018
Reviewing OSC:	Scrutiny Board
The subject matter of this report deals with the following Council Objectives	

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

Cabinet approved the Council's Medium Term Financial Strategy (MTFS) and further proposals for balancing the 2018/19 budget to go to consultation where necessary at its meeting on 26 October 2017. This was followed by a Budget Update report on 13 December 2017.

The October and December reports set out the Council's financial strategy to manage the predicted budget gap over the period 2018/19 to 2022/23. This report:

- Provides an update on the policy and strategic context and assumptions within the MTFS and the forecast budget gap (section 1)
- Presents for approval amendments to the Council Tax Support Scheme from April 2018 (section 5 and Appendix A).
- Budget Risks (section 6)

The detail in this report is based on the best available information and the funding assumption is still subject to confirmation of the final Local Government Finance Settlement for 2018/19 which will not be announced until January 2018.

Future reports to Cabinet and Council will take account of the impact of the funding changes outlined above as far as is possible. However, the Council's current medium-term working assumptions is that these changes will have a neutral impact on revenue support grant (RSG) or that any reduction in RSG will be matched by an upside in business rates revenue. At this moment in time, we do not have enough information to make any other assumption.

The Council is required by statute to set a balanced budget for 2018/19 and to have a robust plan in place to achieve financial balance over the medium term. The revised assessment of the medium term financial forecast is based upon the best information available at this time. Assumptions will be continually reviewed and refined as work progresses in the period to final budget setting in February 2018. Table 1 sets out the updated budget gap over the period.

Breakdown of Movement	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Budget Gap - December	3.990	6.536	14.286	2.537	3.591	30.940
Growth Proposal January	0.441	0.000	0.000	0.000	0.000	0.441
Adjustment - January	(0.273)	1.425	(0.105)	0.657	0.269	1.974
Forecast Budget Gap - January	4.158	7.961	14.182	3.194	3.860	33.355

The movement in the budget gap since the December cabinet figure is due to budget adjustment of £1.974m (as detailed in table 3) over the period (of which £0.273m relates to 2018/19) following the provisional local government financial settlement announcement and further £0.441m made up of £0.271m Legislative practices pressure and £0.170m Capacity pressure (as detailed in table 2 below).

Table 1 - Breakdown of Growth Proposal January

Proposal Description	2018/19 £m
2 Additional NNDR Posts to address multitude of NNDR changes moving forward.	0.043
Technical Services pressure	0.228
Total Practice and Legislative Practices/External Grant Reduction	0.271
Increased capacity to support Economic Development.	0.060
Increased capacity to support services	0.110
Total Capacity	0.170
Total One Source Directorate	0.441

Table 2 - Breakdown of Adjustments in January

Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Base Budget realignment	0.032	0.974	(0.533)	0.345	(0.014)	0.804
Capital impact	0.169	0.451	0.428	0.313	0.283	1.644
Business Rates Compensation	(0.474)	(0.474)	(0.474)	(0.474)	(0.474)	(0.474)
Adjustment January	(0.273)	0.951	(0.579)	0.184	(0.205)	1.974

At period eight the forecast outturn position for service directorates and oneSource is £140.207m resulting in a forecast overspend of £4.367m (3.31%), as set out in section 3 below. The uncommitted Corporate Risk Budget and Corporate Contingency budgets stand at £4.900m (£1.6m reduction from the £6.500m reported in the December) to enable the overall outturn to be achieved within the approved budget for 2017/18. However, in light of the reduction in these corporately held budgets in from December 2017 to January 2018 and further forecast reduction expected in 2018/19, it is crucial for financial sustainability over the medium term, that service directorates manage their ongoing expenditure within approved budgets.

The Senior Leadership Team continues to focus upon delivering mitigating action plans and previously agreed savings plans and exercising restraint on non-essential expenditure. A further update with mitigating action plan will be provided to Cabinet in February 2018.

This report provides an update on the London Business Rate Pilot Pool from April 2018. Following the confirmation of Government's commitment to the 2018/19 London Business Rates retention pilot in the Autumn statement a formal confirmation in a form of Memorandum of Understanding was signed by the Mayor, the Chair of London Councils; the Minister for London and Secretary of State for Communities; and Local Government in December 2017. Further details are set out in section 1.

RECOMMENDATIONS

Cabinet is asked to:

1. **Note** the progress made to date with the development of the Council's budget for 2018/19 and of the implications for Council Tax setting, although no decisions will be taken until the February cabinet meeting.
2. **Note** the outcome of the Autumn Budget Statement and the likely impact on local authorities.
3. **Note** the provisional local government financial settlement announcement, and that this largely confirms the budgetary assumptions set out in the MTFS based upon the four year financial settlement.
4. **Note** that a public engagement exercise on the budget process will be carried out during January 2018.
5. **Recommend to Full Council** that the Council Tax Support Scheme 2018 is approved. (Appendices A and B)
6. **Note** the Equalities Impact Assessment in respect of the Council Tax Support Scheme as set out in Appendix B

REPORT DETAIL

1 **Policy and Strategic context**

- 1.1. This report provides an update on the policy and strategic context and assumptions, in year financial performance and budget gap within the MTFS approved by Cabinet in October and December.
- 1.2. The Secretary of State for Communities and Local Government announced the provisional 2018/19 Local Government Finance Settlement on 19th December 2017. The Settlement outlines provisional Settlement Funding Assessment (SFA) and Core Spending Power (CSP) allocations for local authorities for 2018/19 as well as 2019/20 allocations. Further details provided in section 2.
- 1.3. Cabinet has previously received two progress reports on the Council's Medium Term Financial Strategy (MTFS). On 26th October 2017 and 13th December 2017 update reports were provided which reviewed and updated the key underpinning assumptions in the MTFS in relation to;
- Business Rates
 - The Impact of the London Business Rates Pool Pilot
 - Council Tax Base and Council Tax
 - Better Care Fund and Improved Better Care Fund
 - New Homes Bonus
 - Housing and Homelessness
- 1.4 Since the October and December reports there has been further progress in these areas which are set out below and reflected, where relevant, in the revised forecast:

Business Rates

- 1.5 In the autumn budget, the Chancellor confirmed that the enhancing of business rates switched from RPI to CPI will be brought forward to April 2018 (2 years earlier than planned). Any shortfall arising from the switch to CPI is expected to be funded by central government thereby no detrimental effect on Local authorities is anticipated.
- 1.6 The provisional LGFS confirmed that the government intends to move to a system of 75% business rates retention across local government in 2020-21. This is expected to include rolling in RSG, Rural Services Grant, GLA Transport Grant and Public Health Grant.

The London Pilot and the impact of the pilot

- 1.7 As part of the autumn budget announcement, Government confirmed its commitment to the 100% business rates retention pilot in London in 2018-19. Subsequently, a formal confirmation in a form of Memorandum of Understanding (MOU) was signed by the Mayor, the

Chair of London Councils, the Minister for London and Secretary of State for Communities and Local Government in December 2017.

- 1.8 The MOU established Government's commitment to giving participating Authorities greater control over the revenues they raise; subject to the evaluation of the Pilot. Government will work with London Local Authorities and the GLA to explore the options for grants including, but not limited to: Public Health Grant and the Improved Better Care Fund being transferred to the Pool; the potential for transferring properties in London on the central list to the local list where appropriate; and legislative changes needed to develop a joint committee model for future governance of a London pool.
- 1.9 Furthermore, the MOU confirmed the Pool will aim to improve the well-being of the communities the Participating Authorities serve in London. By working together they can retain a greater proportion of business rate growth within London, providing opportunities to further economic growth as well as building financial resilience.
- 1.10 The Principles of the Pilot Pool remains as highlighted in the October and December cabinet report; from 1 April 2018 the Participating Authorities shall retain 100% of their Business rate and that no authority will be worse off than they are under the current scheme. All participating Authorities will receive 100% of the value of the lost income via Section 31 Grant from the Government in respect of changes to the business rates system.
- 1.11 As a result of the pool, DCLG will not pay RSG to London Local Authorities in 2018/19 but the equivalent value of the estimated RSG in 2018/19 (£6.847m for Havering) will be rolled into the Business rate pot. Tariffs and top-ups will be adjusted accordingly to reflect both the 100% retention of rating income and higher funding baselines.
- 1.12 The rules under the 100% rates retention Pilot will be as the existing scheme subject to the 67% retention scheme in place in 2017-18 (which reflects the incremental impact of the GLA's partial pilot as a result of the rolling in of the GLA's RSG and the Transport for London investment grant). No "new burdens" will be transferred to the Participating Authorities and participation in the Pilot will not affect the development or implementation of the Fair Funding Review.
- 1.13 The deadline for any authority wishing not to accept the designation is the 16th January 2018 (28 days from the date the draft Local Government Finance Report is published i.e. 19 of December 2017). If no authority requests an annulment, the pool will come into effect on 1 April 2018 and all local authorities within the pool will remain in the Pilot pool for the full financial year 2018/19. For Authorities in an existing pool (including Havering), the designations under those pools are revoked.

Council Tax Base

- 1.14 The estimated base for next year has been set at £113.268m. The calculation has been affected by the changes relating to Council Tax Support, long term empty properties and a general rise in the number of properties within the borough.
- 1.15 This is in line with previously assumed growth of £0.980m (0.89%) in the tax base as reported in the October cabinet report.

Council Tax

- 1.16 In the provisional LGFS, the Government announced a change to the council tax referendum principles by increasing in the council tax referendum threshold in 2018/19 and 2019/20 from 2% to 3%. This change means that Councils will have the ability to increase their core Council Tax requirement by an additional 1% without the need for a local referendum.
- 1.17 A 1% increase in LB of Havering's Council Tax will generate additional income of around £1.101m.

Better Care Fund and Adult Social Care Grant

- 1.18 A review of the 2018/19 Improved Better Care Fund (iBCF) allocations announced at Spring Budget was conducted by the Department for Communities and Local Government (DCLG) in November 2017. The result of the review confirmed there will be no impact on the additional iBCF allocation in 2018/19.
- 1.19 The LGFS confirmed the continuation of the Adult Social Care precept in 2018/19 and confirmed publication of a 'Green Paper' in summer 2018 that will address the future challenges of adult social care funding.
- 1.20 Havering's share of the additional iBCF allocation in 2018/19 (£2.844m) has been incorporated into the Council's medium term forecasting model.

Public Health

- 1.21 On 19 December 2017, the Secretary of State for Communities and Local Government announced the move towards increased business rate retention by local government from 1 April 2020. Thereby confirming the Public Health Grant ring-fence and grant conditions will remain in place until 31 March 2020. From April 2020, it is expected that the Public Health Grant will be replaced by retained business rates
- 1.22 Havering's provisional Public Health grant allocation for 2018/19 is £10.935m, a reduction of £0.289m compared to 2017/18 allocation of

£11.224m. The indicative allocation for 2019/20 is £10.646m, a further reduction of £0.289m compared to 2018/19 allocation.

New Homes Bonus (NHB)

- 1.23 The provisional NHB allocations for 2018/19 were published as part of the LGFS announcement. Overall NHB funding has fallen as a result of the reforms announced last year by £280.7m (22.9%) with London boroughs' allocations fallen by £60.3m (23.1%).
- 1.24 Havering's NHB forecast allocation has reduced by (£0.424m) compared to that published as part of the 2017 Settlement. These revised figures for the NHB have been built into the Financial Plans shown in this report.

Housing and Homelessness

- 1.25 With the advent of the Homelessness Reduction Act the Council, together with all local authorities, is facing a range of different duties and obligations. The new range of duties will impose significant financial pressure and a whole new range of housing solutions will need to be created. In addition, the ever increasing cost of solutions within the private sector is adding to the pressures being faced. In order to meet these new challenges officers have devised a new staffing arrangement with the required skill sets to meet the wider ranging client groups.
- 1.26 In addition, we are actively engaging with the private sector and voluntary organisations to seek innovative property and person centric resolutions. We are making greater use of "find your own" Schemes by, supporting residents financially with deposit payments. We are also running a pilot to have earlier intervention and prevention working with local landlords. This was well received at our recent Private Landlords event held at the CEME centre.
- 1.27 In the autumn budget 2017 the government announced the Private rented sector access schemes. This is to support households at risk of homelessness and will provide £20 million of funding for schemes to support people at risk of homelessness to access and sustain tenancies in the private rented sector. It is the Council's intention to build on the success of its "find your own" scheme and approach central government for access or bidding details as policy in this area develops.
- 1.28 In conjunction with the LGFS, the Government published Flexible Homelessness Support Grant allocations for 2018/19. London boroughs will receive £115.8 million in 2018/19. Havering's indicative allocation in respect of the Flexible Homelessness Support Grant in 2018/19 is £1.6m

- 1.29 The Government published the Homelessness Reduction Act new burdens funding in October 2017. LB Havering will receive £0.213m and £0.201m in 2018/19 and 2019/20 respectively.

2. The Local Government Financial Settlement and General Financial Prospects.

Local Government Financial Settlement (LGFS)

- 2.1 The provisional 2018/19 Local Government Finance Settlement was announced on 19 December 2017. The Settlement outlines provisional Settlement Funding Assessment (SFA) and Core Spending Power (CSP) allocations for local authorities for 2018/19 and illustrative allocations for 2019/20 (which will be the final year of the current “four year offer” period). The full implications are currently being analysed and, where known, have been built into this update. Highlights of the settlement include;

- The Council Tax referendum threshold will increase by 1% to 3% in 2018/19 and 2019/20.
- Transitional Relief Grant is not continued into 2018/19.
- 11 new pilots have been confirmed for 2018/19 (including the London pilot pool) as well as the 5 existing pilots continuing – with a commitment to further pilots in 2019/20
- Plans to move to 75% business rates retention in 2020/21 across local government were announced
- A further consultation has been published on the Fair Funding Review (deadline 12 March), and government confirmed its intention to implement new funding baselines in 2020/21
- £19m was announced for Universal Adults Social Care (although figures have not been published at the time of writing)

Core Spending Power

- 2.2 The 2018/19 LGFS included two new funding elements within the Core spending Power in 2018/19 compared with 2017/18; the compensation for the change from RPI to CPI indexation and the separate funding for New Homes Bonus.
- 2.3 Havering's indicative allocation of the compensation for the change from RPI to CPI indexation is £0.700m in 2018/19 and £1m in 2019/20. Whereas the funding for NHB indicative allocation is £4.4m in 2018/19 and £3.8m in 2019/20. However the Adult Social Care (ASC) Support Grant (£6.565m) and the Transition Grant (£1.2m in 2017/18) were excluded for 2018/19.

Havering's Settlement Funding Allocation

- 2.3 The Government has confirmed total Settlement Funding Assessment to be £16.9 billion in 2018/19. This comprises £1.4bn of Revenue Support Grant (RSG) and £15.6bn of Baseline Funding. At a national level, SFA will reduce from £17.9bn in 2017/18 to £16.9bn in 2018/19 (5.4%).
- 2.4 The provisional funding allocation is used to determine Havering's Settlement Funding Allocation. For 2018/19 LB Havering SFA will reduce by £4.5m (10%) from £44.6m in 2017/18 to £40.1m.

Fair Funding Formula

- 2.5 The Secretary of State launched the consultation on the funding formula which determines the level of financial resource that Local Authorities need to fund local needs. The consultation will take place over the next 12 weeks. Officers will consider this consultation when it is published and prepare the Council's response. The intention is that the new needs formula will be implemented from 2020/21

Unringfenced Grants

- 2.6 Government announced the provisional Unringfenced Grants allocation on the 19 of December 2017. Havering's indicative allocations from Government in respect of the Unringfenced Grants for 2018/19 is £9.890m and £10.472m in 2019/20 as detailed below.

Table 3 - Unringfenced grant

Indicative Unringfenced grant	2018/19 £m	2019/20 £m
New Homes Bonus	4.376	3.814
Improved Better Care Fund	4.822	5.619
Under-indexing compensation grant	0.693	1.040
Total	9.891	10.472

Revenue Support Grant (RSG)

- 2.7 As a result of the London Business Rate pilot pool, the equivalent value of the estimated RSG in 2018/19 (£6.847m for Havering) will be rolled into the Business rate pot.

Capital Receipts Flexibility

- 2.8 The provisional LGFS confirmed the continuation of Capital Receipts Flexibility for a further three years from 2018/19. This provides the authorities with the additional flexibility to use funds from capital receipts to invest in organisational transformation programmes to deliver cost and efficiency saving plans.

- 2.9 Details of the Council's proposed use of Capital receipts for the MTFS the period 2018/19 to 2022/23 will be reported in the February cabinet report as part of the Capital programme update.

Transition Grant

- 2.10 The LGFS confirmed no Transition Grant will be made to Local authorities in 2018/19.

Council Tax Referendum Threshold

- 2.11 In addition, the council tax referendum threshold has been increased in 2018/19 and 2019/20 from 2% to 3% for the general council tax increase. The adult social care precept rules remain the same.

3. CURRENT FINANCIAL POSITION

- 3.1 The 2017/18 original net budget as agreed by Full Council in February 2017 was £156.369m. At period eight after adjusting for grant re-allocation and in-year inter-directorate budget virements, the revised net controllable budget is £165.341m.
- 3.2 The total net controllable budget (£167.341m) reflects the combination of corporate budgets of £31.500m and service expenditure budgets £135.840m.
- 3.3 The forecast outturn position on the service budgets is £140.207m resulting in a forecast overspend of £4.367m (3.21%), as set out in table 5 below.

Table 4 - 2017/18 Period 8 Forecast Outturn

Directorate	Original Budget	Revised Budget	Forecast Outturn	Forecast Outturn Variance	
	£m	P8 £m	£m	£m	%
Public Health	(0.300)	(0.308)	(0.308)	0.000	0.00
Children's Services	32.502	35.945	38.611	2.666	7.42
Adult Services	55.021	57.345	57.345	0.000	0.00
Neighbourhoods	12.394	14.263	15.062	0.799	5.60
Housing	1.356	1.941	3.156	1.215	62.59
oneSource Non-Shared	0.735	1.888	1.849	(0.040)	(2.10)
Chief Operating Officer	7.154	7.036	6.820	(0.216)	(3.07)
SLT	1.019	1.308	1.293	(0.015)	(1.12)
oneSource shared	14.788	16.421	16.378	(0.042)	(0.26)
Service Total	124.669	135.840	140.207	4.367	3.21

- 3.4 The uncommitted Corporate Risk Budget and Corporate Contingency budgets currently stands at £4.900m (£1.6m reduction from the £6.500m reported in the December) to enable the overall outturn to be achieved within the approved budget for 2017/18. These corporately held budgets are forecast to reduce further by the 31 of March 2018 therefore, service directorates are asked to investigate variances and trends and also to identify further measures to assist in containing expenditure within overall budget in order to ensure financial sustainability over the medium term.
- 3.5 The demand and cost pressures associated with Children's services, Housing Demand in relation to Private Sector Leased (PSL) properties and Homelessness service are the key reasons for the forecast overspend.

SLT are focussed upon the delivery of mitigation and savings plans and general restraint on non-essential expenditure to manage the outturn within budget by the end of the financial year. A further update will be provided in February cabinet report together with detailed mitigating action plans aiming to recover the underlying predicted pressure at 2017/18.

- 3.6 The material forecast variances at period eight relate to:

Neighbourhoods - £0.799m forecast overspend

Neighbourhoods is experiencing financial pressure within year due to a number of delayed savings and other in year pressures, some of which are being mitigated by the generation of additional income in excess of budget.

Housing Services - £1.215m forecast overspend

As reported in the December Cabinet report, the financial pressure in the Housing services remains predominantly in the homelessness demand pressures. Cost of prevention options are being used to minimise pressure.

Children's Services - £2.666m forecast overspend

Children's Service is experiencing in year one off overspends on placements for looked after children, permanent placement allowances, fostering and asylum seekers adoption costs and agency staff costs. In addition there are base budget pressures on SEN Home to School transport, SEND costs and placements for children with disabilities.

These are offset by underspends in fostering staffing cost and an inflation provision allocation for Children's Social Services. There are

some financial pressures in relation to a number of delayed savings for which alternatives are being sought, alongside the ongoing transformation work.

Children's Directorate has been working in recent weeks on analysis to support a revised financial recovery plan. In addition, a deep-dive exercise into the children's financial position to assist with firming up the position for next financial year and the implications for the 2019/20 onwards is underway. A further update will be provided in February.

4. PUBLIC ENGAGEMENT AND CONSULTATION

- 4.1 Cabinet approved the Council's Medium Term Financial Strategy (MTFS) and initial proposals for balancing the 2018/19 budget to go to consultation where necessary at its meeting on 20th October 2017. On 13th December 2017, a further report was presented to Cabinet which provided further savings proposals and updated the key underpinning assumptions in the MTFS. Since the October cabinet, work has continued in identifying and developing the proposals to bridge the funding gap over the five year MTFS period.
- 4.2 A public engagement exercise on the budget will begin in January 2018. The outcomes of the consultation process will be reported to Cabinet in February 2018 to inform Cabinet's consideration of the detailed savings proposals.

5. OTHER KEY MATTERS

Inflation and Interest Rates

- 5.1 In November 2017, the Office for Budget Responsibility announced inflation is now expected to peak at 2.7% rather than 2.3% as forecast at the Spring Budget. Furthermore, as a result of the uncertainty around Brexit, economic forecasters are predicting a diverse range on inflation over the next three years.
- 5.2 The Bank of England suggested in its November 2017 inflationary forecast CPI would peak at 3.25% in 2017 and fall back towards its own target of 2% reaching 2.5% by 2019. For 2018/19, the MTFS has allowed for a 3% inflation increase on fees and charges in line with current CPI.

Fees and Charges

- 5.3 The Council continues to review its discretionary fees and charges and the cost of service provision to ensure that income generated will meet the full cost of service provision which is in line with the medium term shift to financial self-sufficiency.

- 5.4 The fees and charges review process commenced in July 2017. As reported in the MTFS October cabinet report, a 3% increase in fees and charges is assumed in the MTFS to keep track with the UK Consumer Price Inflation (CPI) which was 2.9% in August 2017 and 3.1% in November 2017.
- 5.5 Fees & charges are to be increased by 3% in line with the draft financial strategy. The schedule of revised charges will be included in the February cabinet report.

Concessionary Fares and Taxicard Scheme

- 5.6 The Freedom Pass gives free travel concessions 24 hours a day to eligible older and disabled residents on Transport for London (TfL) services and after 9.30am on National Rail and independently operated bus services in Greater London.
- 5.7 Havering Council's contribution to the Concessionary Fares as presented to London Councils' Transport & Environment Committee on the 7 of December 2017 is £8.177m. The 2018/19 contribution level has been reflected in the budget report.

Pension Fund

- 5.8 The financial strategy reflects the level of employer contributions required to ensure the long term solvency of the Pension Fund as set out in the 2016 triennial valuation report provided by the council's actuaries incorporating the minimum employer contributions required for the three financial years commencing April 2017.

Levying Bodies

- 5.9 The levies are part of the Settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. There are a number of levies, but the predominant levy relates to East London Waste Authority (ELWA). The current overall levy budget is around £16.734m, of which ELWA accounts for £15.992m. At this stage, no account has been taken of any changes in the distribution of levies arising from the changes in Council Tax base referred to earlier in this report.

ELWA

- 5.10 Provision has been made within the Council's Medium Term Financial Strategy for increases in the ELWA levy of £1.017m in 2018/19 and £1m per annum thereafter.
- 5.11 At this stage, officers are awaiting the final budget report, which is subject to deliberations by ELWA. The final levy will be included in the February Council Tax setting report.

Other Bodies

- 5.12 Of the remaining levying bodies, for planning purposes, a prudent approach has been taken to the level of increase that might be expected, pending notification of the planned rises.

London Councils Subscription and London Boroughs Grants Scheme (LBGS)

- 5.13 London Councils Grants Scheme Budget Proposals 2018/19 as presented to Leaders' Committee on the 5th December 2017 detailed the indicative overall budget requirement for the London Boroughs Grants Scheme for 2018/19 of £8.668m, the same level as for 2017/18 after deducting borough repayments and City Bridge Trust support in 2017/18.
- 5.14 The proposed total expenditure budget of £8.668m will be funded by borough contribution of £6.668m, European Social Fund (ESF) grant income of £1m and a transfer from accumulated Section.48 ESF reserves of £1m.
- 5.15 LB Havering contribution to the 2018/19 London Councils subscription is £0.192m, a 2.88% reduction compared to the 2017/18 cost of £0.220m.

6 COUNCIL TAX SUPPORT SCHEME 2018

- 6.2 The current Council Tax Support Scheme has been in place since April 2015. The scheme is designed to help residents on low income pay their Council Tax. Council Tax Support can cover up to 100% of the Council Tax for claimants of pensionable age and 85% of Council Tax for working age claimants.
- 6.3 Under the Local Government Finance Act 1992, Full Council is required to endorse the Council Tax Scheme effective from 1 April 2018 before 31 January 2018. The Council proposes to maintain the current Council Tax Support Scheme in 2017 for 2018 and makes no amendment to the current local scheme.
- 6.4 The Council also has duties under the Equality Act 2010, most particularly the duties in s149. Consequently, an Equalities Analysis is attached to this report at App B along with a summary version of the proposed Council Tax Support Scheme for 2018 attached at Appendix A. An Equality Impact Assessment (EIA) was completed in January 2015 for when the Council Tax Support Scheme was last changed. This can be found at <https://www3.havering.gov.uk/Pages/Category/Council-tax-support.aspx> along with a copy of the 2017 Council Tax Support Scheme.

7 Budget Risk

- 6.1 The provisional Settlement confirmed the continuation of Capital Receipts Flexibility for a further three years from 2018/19. This provides the Council with the additional flexibility to use funds from capital receipts to invest in transformation and the delivery of saving plans.

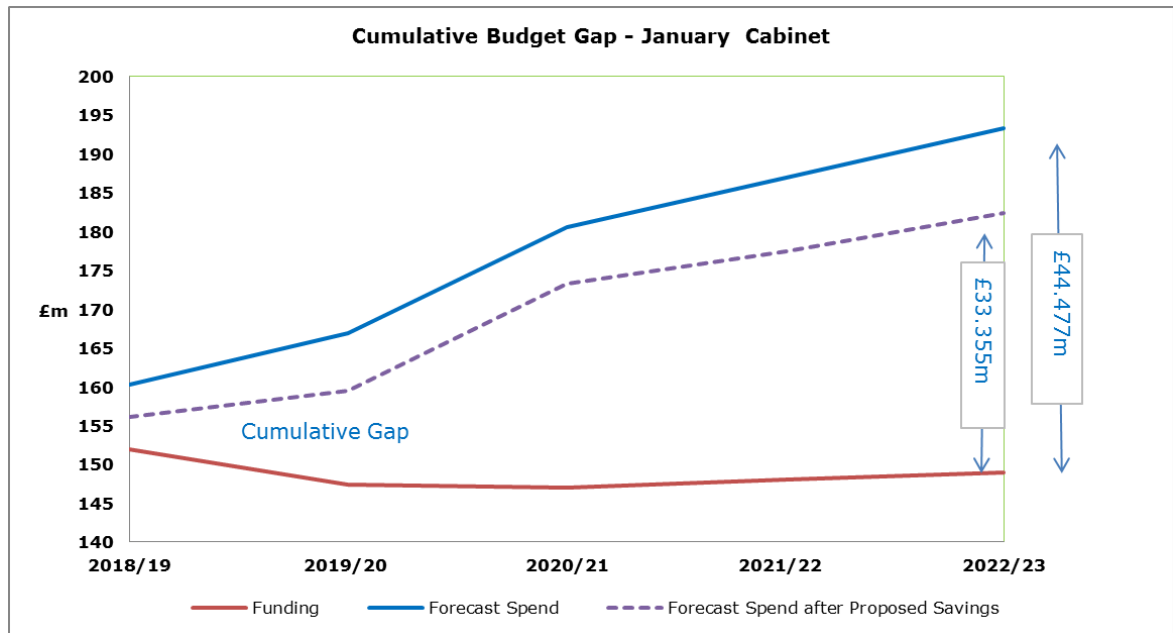
8 Revised Medium Term Financial Strategy

- 7.1 The Cabinet report on 26th October 2017 and 13th December 2017 sets out the progress made towards setting a balanced budget in 2018/19. This report identifies the current budget position that needs to be addressed between now and the report to Cabinet on 7 February 2018, prior to Council on 21 February 2018, agreeing the Budget and Council Tax for 2018/19, the MTFS and Capital Programme 2018/19 to 2022/23.
- 7.2 Tables 6 below illustrations the movement in the forecast budget gap for the period 2018/19 to 2022/23 since the December report.

Table 5 - Breakdown of Movement

Breakdown of Movement	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Budget Gap - December	3.990	6.536	14.286	2.537	3.591	30.940
Growth Proposal January	0.441	0.000	0.000	0.000	0.000	0.441
Adjustment - January	(0.273)	1.425	(0.105)	0.657	0.269	1.974
Forecast Budget Gap - January	4.158	7.961	14.182	3.194	3.860	33.355

- 7.3 The £0.441m growth pressure in 2018/19 is as a result of Legislative practice (£0.271m) and £0.170m Capacity pressure (as detailed in table 2 and 3).
- 7.4 The cumulative budget gap has increased to £33.355m over the period and £4.158m in 2018/19, due to other adjustments in the forecast as a result of the provisional Local Government Finance Settlement.
- 7.5 Figure 1 below illustrates the revised forecast cumulative budget gap over the 5 year period to 2022/23 based upon the assumptions set out in the remainder of the report in relation to expenditure pressures and future funding streams:



7.6 The forecast is based upon a number of key assumptions as reported in October and December 2017 cabinet reports and updated to take account of the provisional Local Government Finance Settlement figures.

7.7 Cabinet approved total savings of £9.632m including £3.554m in 2018/19 at its meeting in October and a further £1.390m of which £0.588m relates to 2018/19 at its meeting in December. All of these savings have been incorporated into the forecast figures.

8. Timetable and approach for Budget Setting

SLT are continuing to work to develop further budget proposals for consideration by Cabinet as follows

- January Scrutiny Board
 - Review and Challenge of Cabinet approved proposals
 - Further update on financial assumptions
- February Cabinet
 - Final budget and council tax proposals and results of consultation considered and approved to recommend to Council
 - Final consideration of Capital Programme including Housing Capital Programme and recommendation to Council
 - Final consideration of the Treasury Management Strategy and approved to recommend to Council
 - Consideration and approval of the Housing Revenue Account
- February Council
 - Council Tax Setting Report
 - Consideration and approval of reports recommended by February Cabinet

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to develop its budget as set out in the constitution. The Council Tax support scheme from April 2018 needs to be approved by Council.

Other options considered:

None. The Council is required to prepare and set a balanced budget and to approve the Council Tax support scheme.

IMPLICATIONS AND RISKS

Financial implications and risks:

The financial implications of the Councils MTFS are the subject of this report and are therefore set out in the body of this report.

Legal implications and risks:

The Council is subject to a number of financial duties, for instance, the Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Finance Act 1999. The Council is also required to set a balanced budget, taking into account a range of factors, and decisions must also be taken in accordance with the Council's duties under the Equality Act 2010.

Human Resources implications and risks:

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance

Equalities implications and risks:

Under Section 149 of the Equality Act 2010 the Council has a duty, in the exercise of its functions, to have due regard to the need to

- Eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act.

- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

The “protected characteristics” are: age, disability, race, religion or belief, sex, sexual orientation, pregnancy and maternity, and gender reassignment. Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

The preparation of the budget is a Council function. All proposals are being evaluated during the budget process to understand their impact and detailed equality impact assessments will be undertaken when any final decisions are taken in relation to specific proposals, with mitigating actions identified to minimise any adverse impact identified where possible. However, the Council also faces significant challenges in achieving a balanced budget, not only in terms of funding reductions, but also in terms of the rising demand for services, and budgetary constraints are a legitimate consideration in making decisions.

An analysis of proposed Council Tax support scheme is attached at Appendix B scheme remains unchanged since 2015 where an equalities analysis was also undertaken.

BACKGROUND PAPERS

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London Borough of Havering

Summary of Council Tax Support Scheme 2018

Introduction

Each local authority is required by Section 9 of the Local Government Finance Act 2012 (the Act) to produce a Scheme to reduce the liability of working age applicants whom it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme 2018 (2018 Scheme) which the Council has produced in accordance with Schedule 4 of the Act. The full version of **The London Borough of Havering Local Council Tax reduction Scheme 2018-19** can be found at [url to be provided](#).

The Council's local Scheme will have due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's 2018 Scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out matters that must be included in the 2018 Scheme.

Summary of Council Tax Support Scheme from April 2018

From April 2018, the 2018 Scheme will adopt the existing Council Tax Support Scheme in place at 31 March 2018 as summarised in this document.

In this document 'the current Scheme' means Havering's existing Council Tax Support Scheme which was adopted in January 2013 and then amended with effect from April 2014, April 2015 and again with effect from April 2016.

Unless expressly stated otherwise, the provisions outlined below relate solely to working age applicants under the current Scheme.

No amendments are proposed to the 2018 Scheme which effectively adopts the current Council Tax Support Scheme for 2017.

This document summarises the Council's proposed Scheme for eligible working age Council Tax Payers to receive Council Tax Support in 2018.

The Scheme applicable to pensioners is fully defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, and Schedules 1 to 6, which is adopted within the 2018 Scheme.

The procedure for the application and calculation of the 2018 Scheme is summarised below and is made in accordance with Schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.

The principles embodying the Local Council Tax Support Scheme 2018 include:

- An expectation that the Council will manage significant reductions in subsidised expenditure.
- Adherence to Regulations which have been set to protect claimants of pensionable age.
- Consultation on changes to the Scheme will take place with precepting authorities and the public.
- The Council will adopt the final Scheme before 31 January 2018
- The Council aims to protect vulnerable groups.
- In reviewing Schemes, the Council will consider incentivising claimants into work.

The Local Council Tax Support Scheme 2018 includes the following information:

- Introduction and definitions
- Provisions relating to entitlement under the Scheme
- Applicable amounts
- Maximum Council Tax Support or Reduction
- Amount of reduction under the Scheme
- Assessment of Income and Capital under the Scheme
- Students
- Applications
- Extended reductions
- Period of entitlement and changes of circumstances
- Schedules

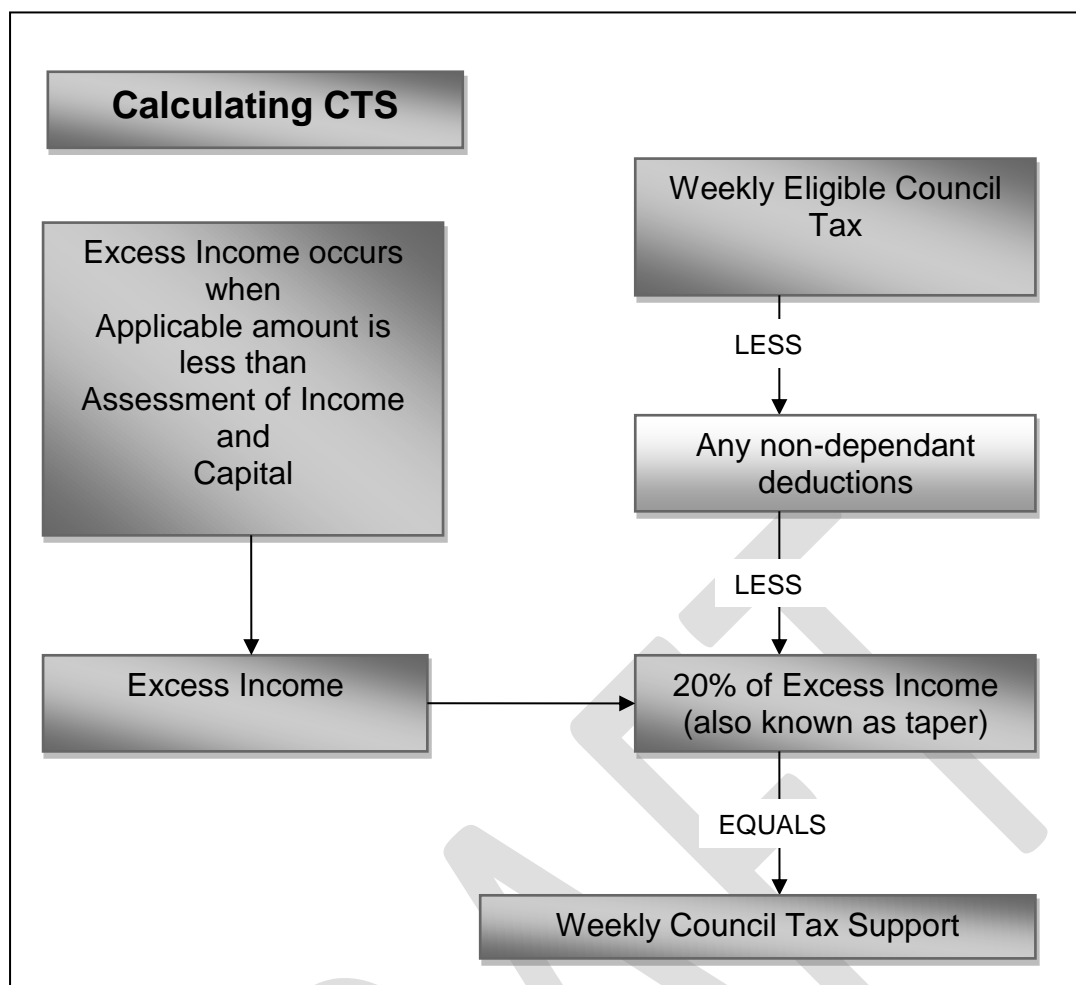
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply. From April 2015 the maximum benefit figure for working age claimants changed from 100% of their council tax liability to 85% of their Council Tax liability. This means that every working age household must pay a minimum charge of 15% towards their Council Tax Bill.

Income and capital are compared to the claimant's applicable amount. The amount used to represent the claimant's needs is called the applicable amount. Any income over the applicable amount is known as the Excess Income.

The claimant qualifies for maximum support less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.

Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the Department for Work and Pensions (DWP) as having income lower than their applicable amount and so will receive maximum Council Tax Support less any non-dependant deductions.



Non-Dependant Deductions

A non-dependant deduction is an amount of council tax that is due from the CTS claimant because there is another adult (non-dependant) who receives an income, who is not the claimant's partner, living in the household. This reduces the amount of CTS a claimant will receive which is described in paragraph 30(A) of the 2018 Scheme.

The non-dependant deductions in respect of a day referred to in the CTS Scheme shall be—

- (a) *in respect of a non-dependant aged 18 or over in remunerative work, £20.00 x 1/7;*
- (b) *in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £6.00 x 1/7.*

(1) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—

- (a) *Less than £196.95*, the deduction to be made under this regulation shall be that specified in paragraph (1)(b);
- (b) *Not less than £196.95 but less than £341.40*, the deduction to be made under this regulation shall be £9.00;
- (c) *Not less than £341.40 but less than £424.20*, the deduction to be made under this regulation shall be £15.00.

(c) *More than £424.20*, the deduction shall be £20.00

Council Tax Support Band D Restriction for Working-Age Claimants

Since April 2014, the eligible weekly council tax used to calculate Council Tax Support for working-age claimants will be no higher than the weekly Council Tax Band D value for a property in Havering.

Paragraph 29A(1) of the CTS Scheme 2018 provides that:

- (1) Subject to paragraphs (2) to (5), the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 85 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person's maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

Maximum Council Tax Support is 85% of the annual Council Tax

Since April 2015, Maximum Council Tax Support for working age claimants is 85% of their Council Tax Liability.

This means that every working age household has to pay a minimum charge of 15% of their Council Tax Bill.

Paragraph 29A of the CTS Scheme 2018 provides that:

(1) Subject to sub-paragraphs (2) to (4), for persons in classes D to E in this Scheme a person's maximum council tax reduction amount in respect of a day is 85 per cent of the amount A/B where—

(a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 30A (non-dependant deductions: persons who are not pensioners) and any award restricted to the level of Band D

Capital Limit £6,000.

From April 2015, the amount of savings and investments people are allowed to have and still be entitled to claim CTS is £6,000.

From April 2015, applicants who have more than £6,000 in savings or investments are not eligible to claim and will therefore have no entitlement to CTS. Applicants in receipt of Income Support, Job Seeker's Allowance (Income Based) or Employment Support Allowance (income related) are excluded from the £6,000 savings limit and are therefore eligible to claim CTS.

Applications for Council Tax Support

The application process applies to both pension-age and working-age applicants

The following procedure has been devised in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below.

Entitlement to CTS is dependent on an application being made:

- (a) By means of an electronic communication or
- (b) By telephone following publication by the Council of a number for this purpose.
- (c) In writing

The electronic form provided by the Council for this purpose must be properly completed, and the Council may require the applicant to complete the form in the proper manner, and may further require that further information and evidence is provided by the applicant.

An application will not be considered if the applicant does not provide all of the information the Council requires.

Applications made by telephone will only be accepted if the applicant provides a written statement of their circumstances in the format required by the Council.

The Council will allow a certain length of time for applicants to correct any defects in their application.

The Regulations provide for which classes of people are eligible to make application for Council Tax Support.

Evidence and Information

Any person who makes an application or any person to whom a reduction under the CTS Scheme 2018 has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement.

Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which the Council must be made aware of.

Matters related to the electronic communication of information, proof of delivery and content of information will be determined in accordance with Part 4 of Schedule 7 of the Regulations.

Where the person is a pensioner paragraph 7(4) (5) (6) and (7) of Schedule 8 of the Regulations apply which specify matters relevant to evidence and information related to pensioners.

Amendment and Withdrawal of Applications

Any person who has made an application may amend it at any time before a decision had been made by serving a notice in writing to the Council in accordance with paragraph 8 of Schedule 8 of the Regulations.

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this Scheme in accordance with the criteria set out within the CTS Scheme 2018 rules.

The decision will be made within 14 days or as soon as reasonably practicable of the Council receiving at its designated office the properly completed application or the information requested to complete it or the evidence required. The date upon which the Council is deemed to have received the properly completed application shall be determined in accordance with paragraphs 6 of Schedule 1, paragraph 7 and Part 1 of Schedule 7 of the Regulations being satisfied, or as soon as reasonably practicable thereafter.

The Council will notify the applicant or any person affected by its decision under the Scheme in writing or electronically within 14 days or as soon as reasonably practicable.

An Applicant may, within one calendar month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter contained in the notice.

Following receipt of a request for a written statement the Council will provide this within 14 days or as soon as reasonably practicable thereafter.

Where an award or payment of reduction is made the time and manner of granting the reduction under the Scheme will be in accordance with Part 5 of Schedule 8 of the Regulations.

Change of Circumstances

For working-age Claimants, the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an Appeal

Any applicant who is not in agreement with the decision of the Council taken under this Scheme may serve a notice in writing on the Council setting out their reasons and grounds upon which they believe the Council has made the wrong decision.

Following receipt of an appeal in writing the Council will:

- (1) Consider the appeal
- (2) Notify the applicant in writing of the following:
 - (i) Any decision not to uphold the appeal and the reasons for that; or
 - (ii) That steps are being taken to proceed with the appeal and set out what steps.

Where an applicant remains dissatisfied following receipt of any written notice sent by the Council in response to their appeal, they may within two months of the service of that notice, appeal to the valuation tribunal.

Applications for further Discretionary Reductions

Under Section 13A(1)(c) of the Local Government Finance Act 1992 and The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, the Authority will consider applications for a further reduction in Council Tax.

There will be financial implications in that the cost of any reduction will be a direct cost to the Council. The cost of any discretionary reduction will, therefore, have to be met by the rest of the council taxpayers.

Applications must be made in writing or by prescribed electronic communications.

The Council will, in making decisions for further discretionary reductions, have due regard to its duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

The Council will review all relevant matters when deciding whether to award a reduction including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect the council believes making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that the Council review its decision. Any such request must be made in writing and be received within one month of the date the notification of the decision.

DRAFT

Equality Impact Assessment (EIA)

Document control

Title of activity:	Council Tax Support Scheme 2018
Type of activity:	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
Lead officer:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource
Approved by:	Sarah Bryant, Director of Exchequer & Transactional Services
Date completed:	November 2017
Scheduled date for review:	November 2018

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@haverling.gov.uk

About your activity

1	Title of activity	Council Tax Support Scheme 2018
2	Type of activity	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
3	Scope of activity	<p>Many people on low incomes can get Council Tax Support (CTS) to help them pay their council tax bills. The Council Tax Support Scheme is funded by the Government and the Council who pay significantly towards the scheme as well.</p> <p>The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2017 CTS scheme in 2018.</p> <p>The proposed scheme will continue to protect pensioners who will get the same level of council tax support as they do now.</p> <p>It is proposed the CTS 2017/18 Scheme remains unchanged for working age claimants in 2018/19.</p>
4a	Is the activity new or changing?	No
4b	Is the activity likely to have an impact on individuals or groups?	No
5	If you answered yes:	

Completed by:	Chris Henry, Head of Council Tax & Benefits
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Date:

November 2017

DRAFT

2. Equality Impact Assessment

Background/context:

The Council proposes to maintain the Council Tax Support (CTS) Scheme in place since April 2015 for 2018/19. The scheme provides assistance to people on low incomes to help them pay their Council Tax.

The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2017 CTS scheme in 2018.

The proposed scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now.

In respect of working age claimants, the proposed scheme will provide the same level of support as it does now.

At 31 August 2017, 8,994 working-age claimants and 6,584 pensionable age claimants were in receipt of Council Tax Support.

CTS changes were catered for within the package of priorities and it can therefore be seen that in general respondents were in favour of the overall priorities change and a majority of residents were not in favour of raising council tax above 2% in order not to make up reductions proposed.

Support remains in place through the Council Tax Discretionary policy for those who suffer hardship.

In terms of the number of Council Tax Support Claimants and their household and personal status, the overall total, compared to last year, has reduced from 16,177 to 15,578 (Aug 2017).

<u>Council Tax Support Case Group Descriptions</u>	<u>Count</u>
Elderly - Non-Passported - Carer	142
Elderly - Non-Passported - Child Under 5	0
Elderly - Non-Passported - Enhanced Disability	0
Elderly - Non-Passported - Family Premium	3
Elderly - Non-Passported - Family Premium - 1 Child	8
Elderly - Non-Passported - Family Premium - 2 Child	2
Elderly - Non-Passported - Family Premium - 4 Child	1
Elderly - Non-Passported - Non Dependant	334

Elderly - Non-Passported - Other	1772
Elderly - Non-Passported - Severe Disability	393
Elderly - Non-Passported - War Pensioners	17
Elderly - Non-Passported - Working	84
Elderly - Passported - Carer	171
Elderly - Passported – Disabled Child premium	1
Elderly - Passported - Enhanced Disability	1
Elderly - Passported - Family Premium	7
Elderly - Passported - Family Premium - 1 Child	9
Elderly - Passported - Family Premium - 2 Child	3
Elderly - Passported - Family Premium - 3 Child	1
Elderly - Passported - Family Premium - 4 Child	0
Elderly - Passported - Non Dependant	468
Elderly - Passported - Other	2301
Elderly - Passported - Severe Disability	849
Elderly - Passported - Working	17
TOTAL (Elderly) = 6,584 (42%)	
Working Age - Non-Passported - Carer	100
Working Age - Non-Passported - Child Under 5	382
Working Age - Non-Passported - Disability	101
Working Age - Non-Passported - Disabled Child Premium	33
Working Age - Non-Passported - Enhanced Disability	254
Working Age - Non-Passported - Family Premium	101
Working Age - Non-Passported - Family Premium - 1 Child	620
Working Age - Non-Passported - Family Premium - 2 Child	471
Working Age - Non-Passported - Family Premium - 3 Child	180
Working Age - Non-Passported - Family Premium - 4 Child	54
Working Age - Non-Passported - Family Premium - 5 and above	7
Working Age - Non-Passported - Lone Parent Child Under 5	424
Working Age - Non-Passported - Non Dependant	38
Working Age - Non-Passported - Other	182
Working Age - Non-Passported - Severe Disability	138
Working Age - Non-Passported - War Pensioners	4
Working Age - Non-Passported - Working	439
Working Age - Passported - Carer	445
Working Age - Passported - Child Under 5	91
Working Age - Passported - Disability	153
Working Age - Passported - Disabled Child Premium	30
Working Age - Passported - Enhanced Disability	1225
Working Age - Passported - Family Premium	67
Working Age - Passported - Family Premium - 1 Child	401
Working Age - Passported - Family Premium - 2 Child	181
Working Age - Passported - Family Premium - 3 Child	53
Working Age - Passported - Family Premium - 4 Child	10
Working Age - Passported - Family Premium - 5 and Above	2
Working Age - Passported - Lone Parent Child Under 5	876

Working Age - Passported - Non Dependant	250
Working Age - Passported - Other	833
Working Age - Passported - Severe Disability	808
Working Age - Passported - Working	41
TOTAL (Working Age) = 8,994 (58%)	
Grand Total Working Age & Elderly)	15,578

Age: Consider the full range of age groups		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remain the same as in the Equality Impact Analysis prepared in January 2015
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
Sources used:		

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	

Evidence:
Sources used:

Sex/gender: Consider both men and women	
<i>Please tick (✓) the relevant box:</i>	Overall impact:
Positive	There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	
Negative	
Evidence:	
Sources used:	

Ethnicity/race: Consider the impact on different ethnic groups and nationalities	
<i>Please tick (✓) the relevant box:</i>	Overall impact:

Positive		
Neutral	✓	
Negative		

Information:

The tables below show the projected figures for the breakdown of Havering by ethnicity/race and for Benefits claimants where they have supplied this information. The data is difficult to compare due to the different classifications of ethnicity used.

2017 (projection)	Number	Percentage of population (%)
All ethnicities	253,478	100.00
White	211,814	83.6
Black Caribbean	3,696	1.5
Black African	10,405	4.1
Black Other	1510	0.6
Indian	7,405	2.9
Pakistani	2,400	0.9
Bangladeshi	1,883	0.7
Chinese	1,567	0.6
Other Asian	3,651	1.4
Mixed	7,498	3.0
Other	1,648	0.7
<i>BAME¹ Total</i>	<i>41,663</i>	<i>16.4</i>

Council Tax Support/Housing Benefit Claimants where Equalities information provided October 2017

	Number	Percentage of claimants who provided information
White: British	7882	65.92%
White: Irish	158	1.32%
White: Any Other	1018	8.51%
Mixed: White & Black Caribbean	177	1.48%
Mixed: White & Black African	84	0.70%
Mixed: White and Asian	46	0.39%

¹ The GLA define BAME differently to the ONS. The GLA does not include a 'White Other' Group. Instead they have one category 'White' that includes 'White British' and 'White Other'.

Mixed: Any Other	99	0.83%
Asian/Asian British: Indian	165	1.38%
Asian/Asian British: Pakistani	204	1.71%
Asian/Asian British: Bangladeshi	175	1.46%
Asian/Asian British: Any Other	118	0.99%
Black/Black British: Caribbean	341	2.85%
Black/Black British: African	1007	8.42%
Black/Black British: Any Other	146	1.22%
Chinese	21	0.18%
Any Other	198	1.66%
Gypsy/Traveller	9	0.07%
Arab	35	0.29%
Asian/Other	14	0.12%
Claimant Declined	60	0.50%
Total	11957	100%

From the data provided above, it would appear that there is a disproportionate impact on BME claimants. 83.6% of Havering's population are defined as White (including the 'White: Other' category such as Eastern Europeans), compared to 75.8% of benefit claimants who define themselves as White (including 'White: Other').

Sources used:

*

Religion/faitb: Consider people from different religions or beliefs including those with no religion or belief

Please tick (✓) the relevant box:

Overall impact:

Positive

There are no changes proposed to the CTS 2018 Scheme

Neutral

Negative

Evidence:

Sources used:

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓) the relevant box:

Overall impact:

Positive		Not known There is no information available to make an assessment on the impact of the proposals on this protected characteristic.
Neutral		
Negative		
Evidence:		
Sources used:		

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral		
Negative		
Evidence:		
Sources used:		

Marriage/civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	Overall impact:

Positive		There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral		
Negative		
Evidence:		
Sources used:		

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		There are no changes proposed to the CTS 2018 Scheme The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral		
Negative	✓	
Evidence:		
Sources used:		

Socio-economic status: Consider those who are from low income or financially excluded backgrounds	
<i>Please tick (✓) the relevant box:</i>	Overall impact:

Positive		There are no changes proposed to the CTS 2018 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	✓	
Negative		
Evidence:		
Sources used:		

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
		The Discretionary Policy is available to residents who are experiencing hardship.	<p>In 2016, one application was made under the Discretionary Policy. This application was paid and discharged the remaining council tax liability for a working age applicant.</p> <p>During 2017, only one application has been received which was granted to the same applicant from 2016 whose circumstances had not changed since 2015.</p> <p>The fact that there has been no increase in applicants with disabilities presenting to the Discretionary Scheme would indicate that the</p>		

Cabinet, dd mmmm yyyy

			15% Council Tax charge is being managed by this group.		
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Review

In this section you should identify how frequently the EIA will be reviewed; the date for next review; and who will be reviewing it.

The EIA will be reviewed at annual intervals or earlier if the Council Tax Support scheme is reviewed earlier than September 2018.

CABINET

Subject Heading:

Approval of the Regeneration Local Lettings Plan & Decant Policy and Possession Procedure

Cabinet Member:

Councillor Damian White: Deputy Leader of the Council and Cabinet Member for Housing

SLT Lead:

Steve Moore: Director of Neighbourhoods

Report Author and contact details:

Neil Stubbings: Programme Director of Regeneration. Telephone: 01708 433747

Neil.stubbings@havering.gov.uk

Policy context:

Housing Regeneration Programme – Local Letting Plan and Decant Policy and Possession Procedure

Financial summary:

The Local Lettings Plan and the Decant Policy and Possession Procedure set out the offering and processes which will enable the Council to seek vacant possession of council tenanted properties. Approximately £6.9 million has been set aside from Housing Revenue Account resources to meet the costs of re-housing displaced council tenants. Cabinet approval of both the Local Lettings Plan and the Decant Policy and Possession Procedure will allow the Housing Regeneration Programme to progress.

Is this a Key Decision?

Yes

When should this matter be reviewed?

January 2019

Reviewing OSC:

Towns and Communities

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

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[x]
Connections making Havering	[x]

SUMMARY

1. This report seeks approval from members for a revised Local Lettings Plan and Housing Regeneration Decant Policy and Possession Procedure following consultation which began in October 2017. These two documents are intrinsically linked and are designed to provide a clear outline of what Council Tenants can expect as a result of the decanting process which the 12 HRA Site Regeneration Programme necessitates. Both documents can be found at Appendix 8.18 of the Business Case that is appended to the report on this agenda, entitled *12 HRA Sites JV Procurement – Entering into a Limited Liability Partnership*
2. The 12 HRA Site Regeneration Programme has already been the subject of previous reports to Cabinet; notably those from June and October 2016. This report accompanies the Cabinet report which seeks approval for the Council to enter into a Joint Venture Limited Liability Partnership (JVLLP) with a Private Sector Development Partner (PSDP) to deliver the Regeneration Programme.
3. The Local Lettings Plan provides a policy framework for council tenants affected by a Regeneration Programme. It sets out the principles and procedures adopted by the Council for the allocation of housing to council tenants affected by a regeneration programme and our offering to those tenants; highlighting the rehousing options available to them.
4. There is a statutory requirement for local authorities to consult on and publish a Local Lettings Plan. Included within this report is a summary of the findings from the consultation exercise.
5. As the Regeneration Programme has now moved into a formal stage with the procurement of a PSDP, to further the progression of the programme, it is essential that the Cabinet agree the Local Lettings Plan as it reinforces the key principles of our rehousing offer to affected Council Tenants.
6. The report also seeks Cabinet approval of a Regeneration Decant Policy Possession Procedure which underscores how the Council will facilitate the vacant possession of the sites.
7. Both documents apply to secure and introductory Council tenants who will lose their home on either a temporary or permanent basis as a result of the Housing

Regeneration Programme. This policy does not apply to leaseholders, freeholders, non-secure tenants living in temporary accommodation and private tenants.

RECOMMENDATIONS

That Cabinet:

1. **Note** the outcomes of the consultation carried out on version 7 of the Local Lettings Plan
2. **Approve** the Local Lettings Plan for the Housing Regeneration Programme
3. **Note** the outcomes of the consultation carried out on the Decant Policy and Possession Procedure for the Housing Regeneration Programme
4. **Approve** the new draft Decant Policy and Possession Procedure for the Housing Regeneration Programme

REPORT DETAIL

1. Background

- 1.1 In June 2016, Cabinet agreed to the development of new council housing across an initial tranche of 12 HRA Sites, and instructed officers to commence consultation, and to initiate the procurement of a PSDP.
- 1.2 The Housing Regeneration Programme will entail the building of approximately 3,000 new homes for local people. The new homes will be of mixed size and tenure, namely affordable rent, low cost home ownership and private sale.
- 1.3 The Council normally allocates housing on the basis of giving priority to households in the greatest need, as set out in the main provisions of the Council's Allocations Policy. This policy is used to prioritise applicants who register on the housing waiting list and is used as a basis to make nominations to social and affordable rented properties.
- 1.4 Section 166A(6)(b) of the Housing Act 1996, enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the authority is able to demonstrate compliance with the requirements of s.166A(3). This is the statutory basis for so-called 'local lettings policies' which may be used to achieve a wide variety of housing management and policy objectives.
- 1.5 Section 25.2 of the Council's Allocations Policy (2016) describes how the Council and its partners may decide, in exceptional circumstances, to allocate properties on a different basis through a Local Lettings Plan.

“Local lettings schemes can be put in place for a specific area or on estate new developments which are agreed with the Provider in response to particular local circumstances. They will include a clear commitment to equality of opportunity, the provision of clear and accurate information to applicants and an appeals mechanism”

2. Local Lettings Plan

- 2.1 The Local Lettings Plan is essentially a local allocation scheme designed to meet the needs of a particular community. It sets out our offering to Council Tenants explaining how the Council prioritises the allocation of its housing stock in the instance of regeneration.
- 2.2 The Plan allows the Council to set aside a proportion of available social housing lettings to facilitate the temporary and/or permanent rehousing of council tenants and applies to re-lets and new-build affordable housing opportunities owned and managed by the London Borough of Havering. It will also apply to any other affordable rented opportunities that the Council has nomination rights to.
- 2.3 The 12 HRA Site Regeneration Programme will affect properties on the following sites:

Site Name	Ward	Rented homes
Waterloo Estate	Romford Town	171*
Queen Street	Romford Town	31
Napier and New Plymouth	S. Hornchurch	86
Solar, Serena and Sunrise	St. Andrews	55
Maygreen Estate	Hylands	88
Oldchurch Gdns	Brooklands	64
Delta TMO (Elvet Ave)	Squirrels Heath	45
Farnham, Hilldene and Chippenham	Gooshays	0
Royal Jubilee Court	Pettits	79
Brunswick Court	Cranham	47
Dell Court	St Andrews	29
Delderfield	Pettits	14
Total		709

**Waterloo also has 12 hostel TA units – not permanent housing*

- 2.4 The objectives of the Local Lettings Plan are to:
- Facilitate the rehousing of Council tenants living on the sites proposed for regeneration into suitable alternative accommodation
 - Ensure the fair management of the rehousing and payment compensation process
 - Prevent unrealistic expectations for affected households and to ensure that residents are fully informed and aware of the processes which we will

follow when it becomes necessary to decant tenants as a result of the Regeneration Programme.

2.5 The Plan supports the Council's objectives for the Regeneration Programme by:

- Contributing to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use; to provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, open market sale and ownership.
- Delivering high quality residential-led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- Ensuring the delivery of the development proceeds on time by facilitating the moves of affected tenants from the estates into alternative suitable homes.
- Creating a sustainable community in each regeneration area.

2.6 The Local Lettings Plan will be revised upon completion of each phase of the Regeneration Programme and will cease to apply once the Housing Regeneration Programme has been completed. The Council's main Allocation Scheme will continue to apply throughout and thereafter to all council tenants.

3. Regeneration Decant Policy and Possession Procedure

3.1 The Regeneration Decant Policy and Possession Procedure sits alongside the Local Lettings Plan and provides the basic principles of how the Council will manage any regeneration activities where council tenants are required to move.

3.2 It is a new policy which also applies to all secure and introductory Council tenants who will be rehoused either on a temporary or permanent basis as a result of the Housing Regeneration Programme. It sets out clearly that the Council intends to give Council Tenants the right to return to the redeveloped sites subject to a reassessment of housing need, in accordance with the Council's Allocation Policy.

3.3 Council Tenants who need to be decanted from their homes as a result of regeneration will be moved in a planned way. Each development will have its own development plan and timetable which will impact and influence the rehousing options available to Council Tenants. For example, it may mean that on some sites decants will happen in phases, where some blocks are demolished before others.

- 3.4 The policy reiterates that tenants who move into temporary accommodation will be provided with the same security of tenure that they had in the previous home. Tenants that are moved permanently to alternative accommodation will take on a new tenancy, with their original tenancy status. The policy provides an outline of the legal processes that Housing Services will follow in the delivery of the Decanting process.
- 3.5 This policy does not apply to leaseholders or freeholder owners who will be able to access a dedicated resource to help them through this process and to complete a claim for compensation and Home Loss Payment.
- 3.6 The revised Local Lettings Plan and the proposed Regeneration Decant Policy and Possession Procedure set out the principles for providing an efficient rehousing service for Council tenants. In doing so, it facilitates the requirement for vacant possession on the regeneration sites, and in doing so supports the Council's objective to increase housing supply for local residents.

4. Consultation

- 4.1 The Local Lettings Plan and Regeneration Decant Policy and Possession Procedure has been the subject of consultation with Council tenants and private registered providers of housing in accordance with s166A (13) Housing Act 1996 and s.105 Housing Act 1985. The Council has a statutory duty to consult with affected Council Tenants for a minimum of 28 days however in recognition of the significant impact the Regeneration Programme will have on tenants, formal consultation was carried out for a period of 12 weeks, from October 2017 through to December 2017.
- 4.2 Members will note that this is now version 7 of the Local Lettings Plan and that this is the first time that Housing Services have consulted formally with Council Tenants on it. The Plan has however been discussed informally with stakeholders and affected tenants at various public meetings since the inception of the Regeneration Programme in June 2016. The formalised approach to consultation coincides the requirement to begin more formal processes of gaining vacant possession of the sites in the first tranche of the 12 Site Programme.
- 4.3 The consultation aimed to canvass the views of all residents, but primarily sought the views Council Tenants who are affected by the 12 Site Regeneration Programme. It gave residents the opportunity to have a direct input and shape our offering to Council Tenants who will need to relocate while the Regeneration Programme is in progress. It provides the Council with an opportunity to understand public attitudes, opinions and the satisfaction relating to each document. The consultation comprised of two online surveys designed to obtain feedback on both of these documents

Methodology

4.4 Draft versions of the Local Lettings Plan and the proposed Regeneration Decant Policy and Possession Procedure were posted on the Council website together with a link to the survey. The survey was actively promoted from August to December 2017 through:

- Social Media
- Articles in 'At the Heart' and 'Living' tenant magazines
- A letter sent out to all council tenants inviting them to respond
- 1-2-1 decant assessments meetings
- Housing Services' Tenant Participation Panel
- Resident Consultation Meetings

4.5 To analyse consultation responses the following method was adopted:

- The online surveys links were placed on the Council's home page and Housing Services page.
- Respondents were asked to self-complete the surveys. Respondents were encouraged to submit a response to all questions
- Questback, an online survey tool was used as a portal for the data collection exercise. This produced an automatic data report on all findings. The findings were manually analysed to produce data.
- For all open qualitative responses submitted through the consultation, we have noted the additional comments made.
- The findings have been analysed based on the total number of respondents who accessed the online survey consultation.

4.6 Whilst all responses to the consultation were submitted via the online survey, any resident who did not have access to the online system were helped to fill out a paper based form and the information on those forms was uploaded by Council Officers.

Overview of the Responses

4.7 The consultation responses indicated a broad support for the Local Lettings Plan, the Decant Policy and Possession Procedure along with the Regeneration Programme overall. A statistical report of respondents' views and a table of qualitative feedback received during the consultation period is contained in Appendix 1 of this report.

4.8 Results show that 92% of respondents understood the implications of the Local Lettings Plan for Council tenants affected by the regeneration programme and felt that the Council were treating tenants in a fair way. Two respondents felt that additions could be made to the Plan, however only one qualified this by suggesting that all properties be allocated to existing Council Tenants.

- 4.9 All respondents (100%) felt that they understood what the Decant Policy and Possession Procedure means for Council Tenants affected by the Regeneration Programme. 92% of respondents felt that the options presented in the Policy was fair to Council Tenants. One respondent disagreed with this.
- 4.10 The survey response rate was lower than anticipated. However, as described above every effort was made to encourage responses by widespread advertising, individual letters sent to tenants plus the matter being raised during 1-2-1 meetings.
- 4.11 The satisfaction of rehoused tenants has been, and will continue to be, monitored throughout the Regeneration Programme. Results thus far demonstrate overall satisfaction with the decanting process. 93% of tenants that had been rehoused advised that they found their initial 1-2-1 discussions informative. Various surveys on the satisfaction with the viewing process, financial package (homeloss and disturbance payments) and the information and guidance provided throughout the process have been carried out. The results to these have consistently provided an excess of 90% identifying their assessment as Good or Fair. Attached at Appendix 2 is a statistical report of the results from the satisfaction surveys and a table of qualitative feedback received from residents.

REASONS AND OPTIONS

5. Reasons for the decision:

- 5.1 The Local Lettings Plan identifies the formal offer which the Council is making to its tenants affected by the twelve estates Regeneration Programme. It is intended to form the basis of future discussion and dialogue with council tenants. The use of a local lettings plan clearly identifies how this can be achieved and ensures there is transparency, fairness and consistency in implementing this objective.

6. Other options considered:

- 6.1 Had the Council chosen not to formally consult and publish a Local Lettings Plan, it would be neglecting a statutory obligation to consult formally with tenants.

IMPLICATIONS AND RISKS

7. Financial implications and risks:

- 7.1 The Council has set aside £6.9m of HRA resources over three years to fund the costs of acquiring vacant possession of the tenanted properties. This will be reviewed as the project progresses to ensure adequate provision is in place.
- 7.2 Obtaining vacant possession in accordance with the project plan is critical to ensure there are no delays to the delivery of the regeneration of the 12 Estates programme. Delays to the programme can have significant financial implications for the Council.
- 7.3 The implementation of the Local Lettings Plan will ensure that housing accommodation is set aside to deal with the associated rehousing requirements should help to reduce the risk of delays with the associated financial consequences.

8. Legal implications and risks:

- 8.1 This Report seeks approval of a Local Lettings Plan and Decant and Possession Procedure Policy.
- 8.2 The principal relevant statutory functions for this purpose are those concerning allocation of housing accommodation under Part 6 Housing Act 1996; and the practical context in which that has to be addressed is the Council's housing allocation scheme.
- 8.3 In practical and general terms, the allocation of housing accommodation for this purpose involves selecting someone to be an introductory or secure tenant of accommodation held by the Council under Part 2 Housing Act 1985, or nominating someone to be an introductory or secure tenant of another local authority's housing accommodation, or nominating someone to be an assured tenant of a private registered provider's housing accommodation.
- 8.4 Accordingly, for example, arrangements in relation to moving long-leaseholders or freehold owners are not within the scope of Part 6 unless and to the extent that they involve new lettings of properties under introductory, secure or assured tenancies as above.
- 8.5 In relation to allocating housing accommodation as defined, the Council are required by s166A (1) to have an allocation scheme, for determining priorities and as to all the requisite procedure; in framing the scheme, s166A (3) requires that, in relation to priorities, the scheme must be framed so as to secure reasonable preference is given to various descriptions of people (including the local lettings plan).

- 8.6 s166A(6) permits, expressly subject to s166A(3) (see further below), what in colloquial terms are known as “local lettings schemes/plans”, i.e. for the allocation of “particular” accommodation, such as that in a regeneration area or new development; by reason of s166A(1) and s166A(6), such local lettings schemes, however, form part of the overall housing allocation scheme.
- 8.7 By s166A (14), the Authority are prohibited from allocating accommodation except in accordance with their housing allocation scheme.
- 8.8 The draft Local Lettings Plan therefore sets out the housing allocation rules for secure and introductory tenants affected by the housing regeneration programme, and will, if approved, form part of the Council’s overall allocation scheme.
- 8.9 The Decant and Possession Procedure Policy applies to residents affected by the regeneration scheme and sets out the principles and procedures which will guide the decant and possession process, and which reflects the relevant housing legislation.

9. Human Resources implications and risks:

- 9.1 There are no Human Resource implications arising from the implementation of the Local Lettings Plan and Decant Policy and Possession Procedure as these will be delivered through existing resources

10. Equalities implications and risks:

- 10.1 The public sector equality duty under section 149 of the Equality Act 2010 (“PSED”) requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. ‘Protected characteristics’ include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.
- 10.2 It is the Council’s obligation to fulfil a Public Sector Equalities duty and eliminate discrimination in policy and practice. The Council has used the consultation findings to analyse the impact each policy proposal may have on protected characteristics.
- 10.3 Havering is home to a number of different communities. The Local Lettings Plan and Decants policy sets out how the Council will manage the process of moving residents affected by the Regeneration Programme and ensure they are properly compensated.

- 10.4 The Regeneration Programme is intended to positively transform the lives of residents of all backgrounds and protected characteristics. The Local Lettings Plan and Decant Policy and Possession Procedure gives clear guidance to staff on the need to identify vulnerable, disabled or disadvantaged tenants and ensure they receive the appropriate level of support and guidance throughout the process of moving. This could include practical help with moving their possessions, or support with translating or explaining information and forms. Every affected resident is offered the opportunity to discuss what they need to ensure every aspect of their move goes smoothly.
- 10.5 The Council has carried out wide ranging consultation with affected residents, Members and the public on both the Local Lettings Plan and Decant Policy and Possessions Procedure. The responses have been analysed and reported in Appendix 1 and includes information on the protected characteristics of the respondents.
- 10.6 In addition, detailed EIAs relating to general needs and sheltered accommodation have been completed. These EIAs include the activities covered in the Local Lettings Plan and Decants Policy and Possession Procedure, and are attached at Appendix 8.5 of the Business Case that is appended to the report on this agenda, entitled *12 HRA Sites JV Procurement – Entering into a Limited Liability Partnership*.
- 10.7 The EIAs are also accompanied by an Action Plan which sets out what the Council will do to address any emerging concerns or risks as the regeneration programme continues. This plan will be kept under review by the Regeneration Project Board on a monthly basis.

BACKGROUND PAPERS

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Havering

LONDON BOROUGH

London Borough of Havering Council

Consultation Report January 2018

In review of the Housing Regeneration Programme:

- Local Lettings Plan
- Decant Policy & Possession Procedure

HOUSING POLICY CONSULTATION SUMMARY REPORT AND RESULTS 2018



Havering

LONDON BOROUGH

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INTRODUCTION

This report sets out key findings from a 12 week consultation and engagement exercise, aimed to canvass the views of local residents on proposed the Regeneration Local Lettings Plan (LLP) and Decant Policy and Possession Procedure (DPPP).

The consultation enabled residents to have a direct input and to shape our offering to Council Tenants who will need to relocate as a result of the Regeneration Programme. It provides the Council with an opportunity to understand public attitudes, opinions and the satisfaction relating to each document. Residents were asked to respond to the consultation questions attached at Appendix 1.

Sample limitations

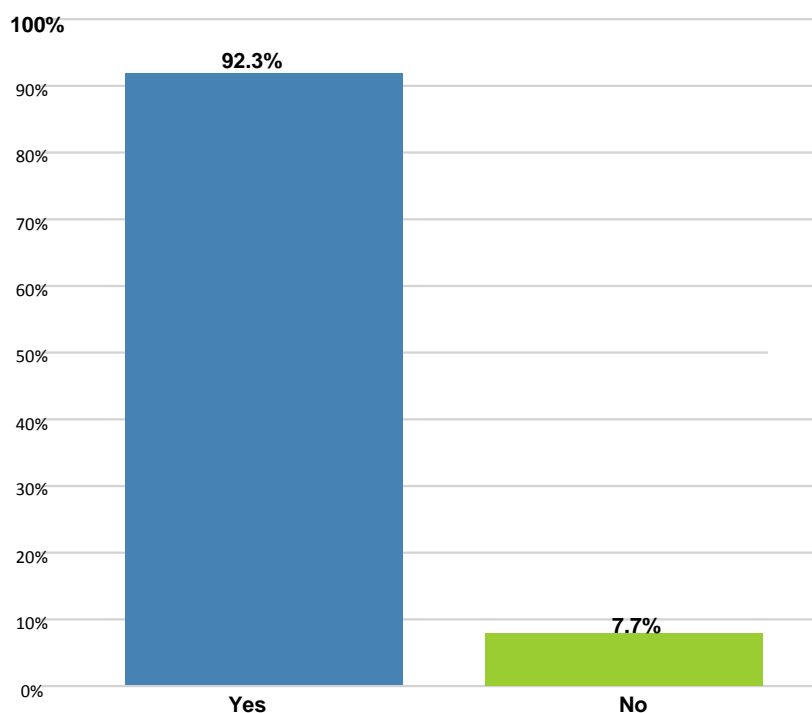
The survey response rate was lower than anticipated. This may be because this is a revised version of the LLP which has been informally consulted upon since June 2016. The self-completion nature of the survey may have also limited the response rate.

PART 1: LOCAL LETTINGS PLAN RESULTS

Section 1.1 Quantitative Responses

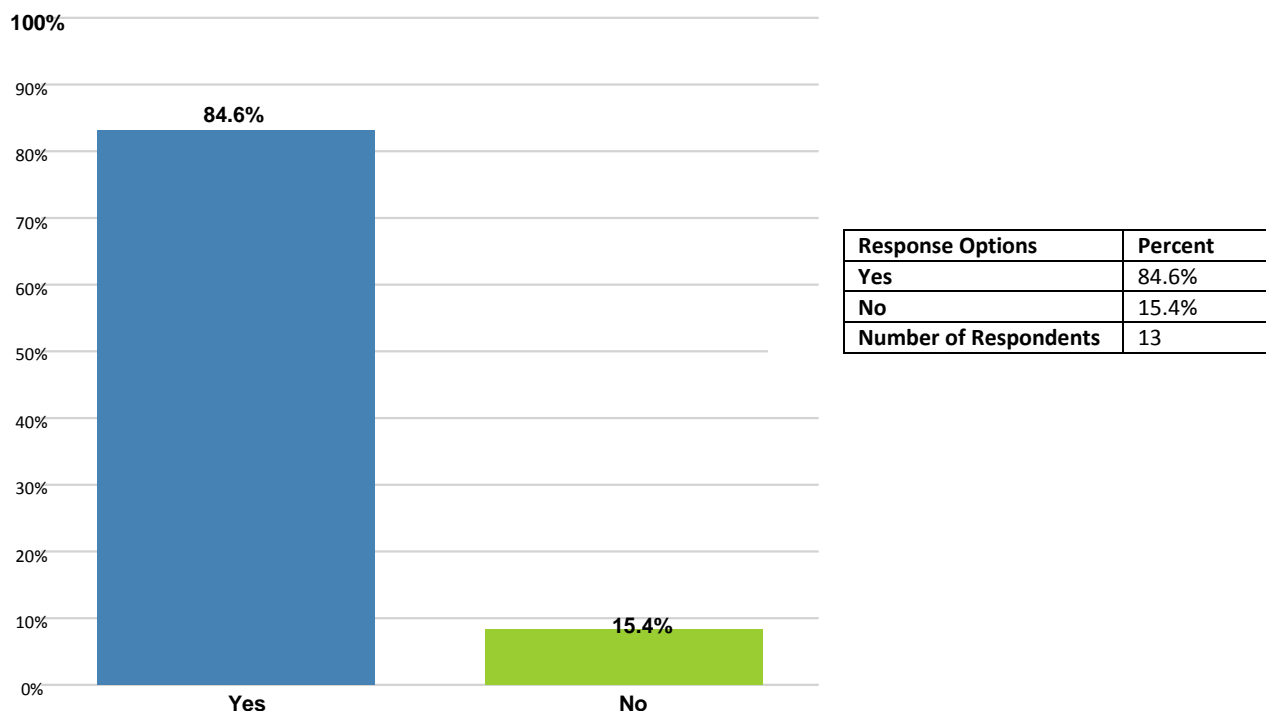
The responses to the consultation indicate overall approval of the Local Lettings Plan (LLP).

Q1. Results show that the 92.3% understood the implications of the LLP for Council tenants affected by the regeneration programme.

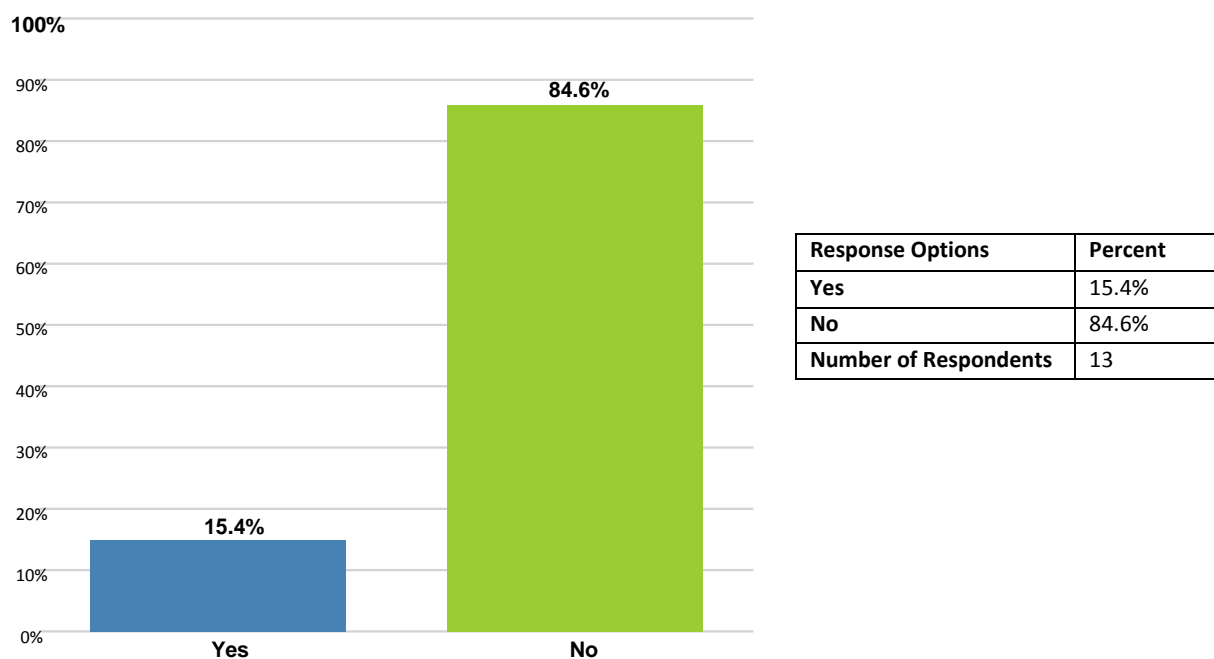


Response Options	Percent
Yes	92.3%
No	7.7%
Number of Respondents	13

Q2. Results show that the 84.6% of respondents thought that the rehousing options in the LLP were fair for Council tenants affected by the regeneration programme.



Q4. The majority of respondents felt that there was nothing further than could be added to the LLP (84.6%). Two of the 13 respondents felt as though more information should be included in the LLP, though only one suggestion was made. This has been discussed in section 1.2.



Section 1.2 Qualitative Responses

Q3. What do you think could make the Local Lettings Plan fairer to Council Tenants?

‘Ensure that existing residents are given properties in the same area once the regeneration has happened as this seems to be a case of social cleansing if not’.

Residents that have been moved from a regeneration site will have the Right to Return i.e. an opportunity to move into a new property on the redeveloped site. This intention has been stated within **Option 6** of the LLP *‘Move to a new property in the new Development once completed’*. In order to facilitate and give tenants as many options as possible should a tenant want to move to a Housing Association or Council Tenancy in another borough, they will still be given priority to return.

‘I would like to see more shared ownership for people to buy houses and flats who have difficulty buying’.

C.300 Shared Ownership / Low Cost Home Ownership properties will be developed as part of the regeneration programme.

‘The Local Lettings Plan should be applied equally to all secure tenants on the regeneration estates and all under occupiers should qualify for an additional bedroom above their assessed need.’

The LLP forms part of the Council’s Allocation policy which gives under occupying tenants the opportunity to retain one more bedrooms above their housing need. This is to give the opportunity for tenants losing several bedrooms to move into accommodation more suitable and affordable **and** to give families who need larger sized properties the opportunity to take up such accommodation. This only applies to households we have identified as “under-occupiers” rather than all tenants and is being applied equally to all under-occupiers on the regeneration sites.

‘In point 4.27, the amounts paid for each room given up should be the same because this would incentivise tenants to give up additional rooms if all under occupiers are treated equally and qualify for an additional bedroom above their assessed need, which is the fair thing to do; those giving up more rooms receive more money rather than entitlement to additional rooms.’

Extensive research was carried out with a decision agreed by the Council of the need to increase the downsizing incentive. Surrounding boroughs were contacted and it was deemed that a sliding scale in terms of payment for rooms given up was the most ideal solution to downsizing. It has to be noted that there has been a considerable increase in the incentive payments having risen from £250 per room to £1000 for the first room being given up. It is agreed that this is the best way to free up much needed larger sized properties thus enabling the Council to make best use of the family sized accommodation that it has

Q5. Having read the Local Lettings Plan do you think there is anything else that should be included in it?

‘All properties to be given to local existing Council Tenants’.

Properties developed as part of the Regeneration Programme will primarily be for local people. In the first instance, all Council stock built on the sites will be offered to residents that have been moved as part of the Regeneration Programme and have expressed an interest to return. Subsequent affordable housing (including affordable rented and shared ownership stock) will be

allocated to residents on the Housing Register who meet the eligibility criteria. Properties for open-market sale will be priced in line with the local property market.

Q6. If you have any further comments on the LLP, please state below.

‘Please check your point 4.23 re: Bedroom Standards. It seems to state 1 bedroom for 10-20 year olds of the opposite’

We recognise that this paragraph could be written in a simpler way. This has been amended in LLP to ensure better clarity and understanding. To clarify, the bedroom standard allocates a separate bedroom to each pair of adolescents aged 10-20 years of the opposite sex.

‘To ensure that tenants can still downsize if they are in arrears’

Should a tenant affected by the Regeneration Programme choose to downsize to a smaller property that meets their housing need, they will be entitled to a downsizing payment of £1000 for the first room and £500 for any subsequent room returned to the Housing Service. Any rent arrears will be deducted from this payment. This applies to any Council Tenant irrespective of whether they are affected by the Regeneration Programme. The use of the downsizing payment to clear/or contribute to the clearance of rent arrears has been made clear in the revised version of the Local Lettings Plan.

‘The court costs involved with changing from a joint to sole tenancy – if one tenant is not living in the property and cannot be found, who pays legal fees, usually the tenant. As the tenant is having to move as a result of the regeneration programme, will Havering Council pay?’

For tenants affected by the Regeneration Programme, the Council will pay court costs associated with amending a tenancy from a joint to a sole tenancy or vice versa.

Regarding section 5 on page 14 of the LLP and at the end of the last meeting at the Salvation Army, residents asked whether - if they are rehoused before offers have been made - they will still be found accommodation in line with what is on their form.

In accordance with section 5, all tenants will receive 2 offers of accommodation before any order for possession is enforced. Tenants are also being given further opportunity to update their decant assessment form and also the opportunity to understand where all the voids have become available since April 2017. This gives tenants the chance to be more flexible with their areas of preference. This was the basis of the discussion that at the last meeting.

‘At the very first drop-in at the Salvation Army, residents were told different things, e.g. that they would get like for like regarding number of bedrooms or that it would be according to housing need. It took a very long time before it was made known to residents what the policy was and it turned out to be neither option.’

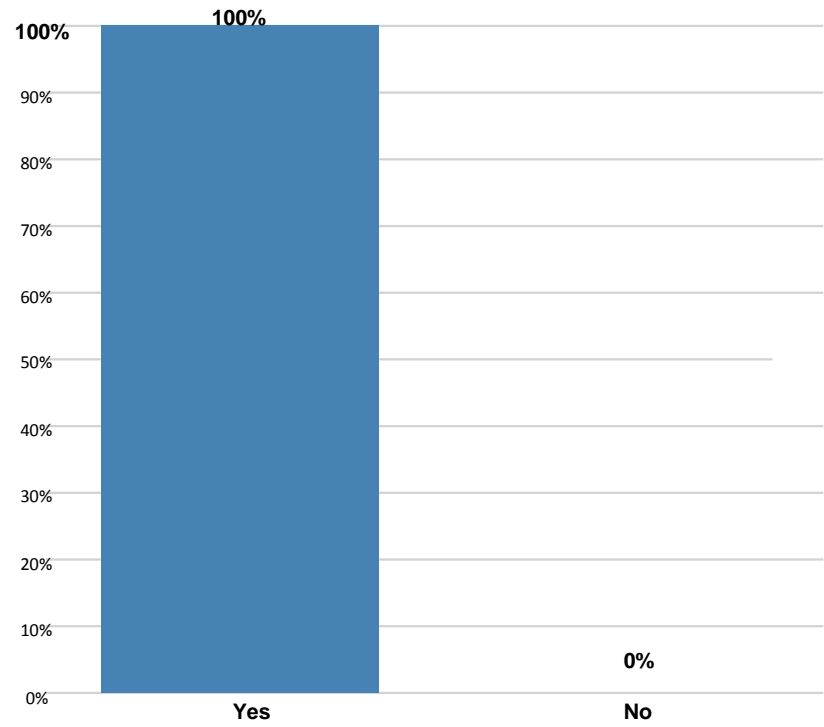
The LLP forms part of the Council’s Allocation Policy. In paragraphs 4.20 and 4.21 of the LLP the size and type of property allocated to an applicant will depend on the size of the household and will be in line with the Council’s Bedroom standard. The current version of the LLP supersedes all previous versions.

PART 2: DECANT POLICY & POSSESSION PROCEDURE

Section 2.1 Quantitative Responses

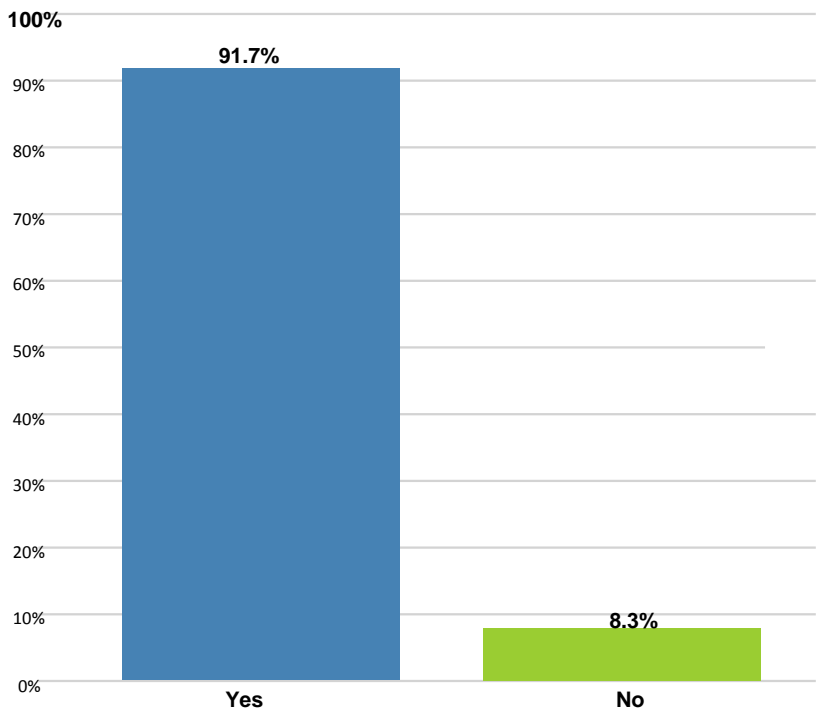
The responses to the consultation indicate overall approval of the Decant Policy and Possessions Procedure (DPPP).

Q1. Results show that all respondents (100%) understood the implications of the LLP for Council tenants affected by the regeneration programme.



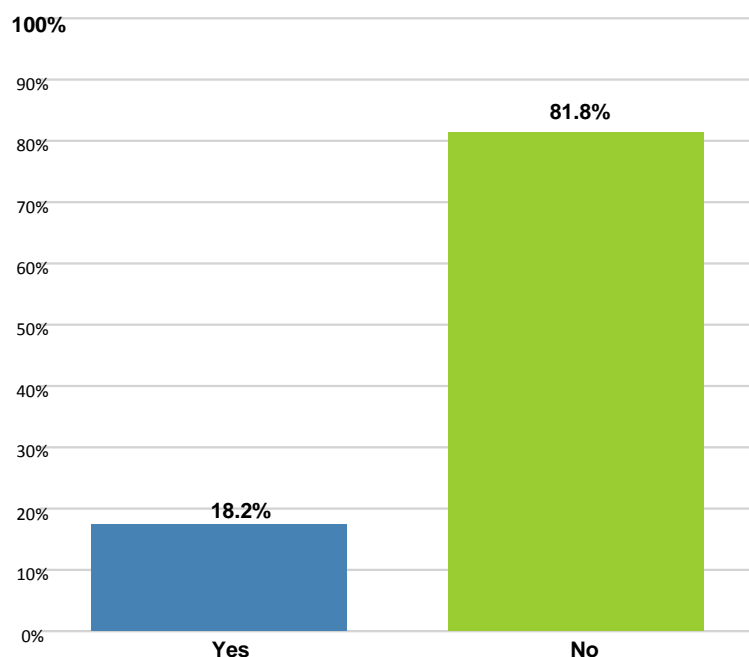
Response Options	Percent
Yes	100%
No	0%
Number of Respondents	12

Q2. Results show that the 91.7% of respondents thought that the DPPP was fair for Council tenants affected by the regeneration programme.



Response Options	Percent
Yes	91.7%
No	8.3%
Number of Respondents	12

Q4. The majority of respondents felt that there was nothing further than could be added to the DPPP (81.8%). Two of the 11 respondents felt as though more information should be included in the LLP, though only one suggestion was made. This has been discussed in section 2.2



Response Options	Percent
Yes	18.2%
No	81.8%
Number of Respondents	11

Section 2.2 Qualitative Responses

Q3. What do you think could make the Decant Policy and Possessions Procedure fairer to Council Tenants?

‘Doesn’t give all options’.

This response underlines a flaw in the way the consultation question was framed.

Point 1.3 of the DPPP refers readers to the LLP for full details of the rehousing options for Council Tenants. It is intended that both documents complement one another and remain separate stand alone documents, each serving a different purpose and intention.

Q5. Having read the Decant Policy and Possessions Procedure, do you think there is anything else that should be included in it?

‘I live in Beehive Court, I have been moved without the option to remain as part of this programme – yet Beehive is not listed’

This comment has been made by a tenant who is not affected by the Regeneration Programme. This resident has been contacted to identify whether the tenant has any needs which still need to be addressed.

Q6. If you have any further comments on the DPPP, please state below.

The two responses to this question were about Council tenants’ individual cases. Both response were concerning their individual eligibility for financial compensation and have been dealt with by Council Officers.

PART 3: RESPONDENT EQUALITY AND DIVERSITY PROFILE

Housing Services received Equality and Diversity information from 10 of the 13 respondents who answered the questionnaires.

- 70% out of the ten respondents were female, 30% male.
- 60% of the ten respondents were married, the remaining 40% of the respondents declared their marital status as single
- 70% of all respondents were of working age. The largest number of responses came from residents aged 45 – 54 years of age, this was closely followed by residents who belonged to 25 – 34 year age group (20%), Residents who identified themselves as belonging to the 25 -34 years of age and the 55 – 64 age group respectively accounted for 10% of responses. Respondents aged 65 and above accounted for 30% of responses.
- A total of 100% of respondents identified themselves as heterosexual in their sexual orientation.
- The majority of respondents (78%) identified their religious belief as Christian, with 11% identifying their religious belief as Buddhist. A further 11% declared that they did not have a religion or a faith.
- 89% of respondents identified themselves as being White British in their ethnic origin. The other respondents identified themselves as originating from another White ethnic background. We did not receive any equality or diversity information from any other protected racial or ethnic characteristic in support of this consultation
- 25% of those responding considered themselves to have a disability, impairment or health condition.

APPENDIX 1: CONSULTATION QUESTIONS

Housing Regeneration Programme - Local Lettings Plan Consultation Questionnaire

Please enter your e-mail address:

The aim of the Local Lettings Plan is to clearly explain to Council tenants how the Council will manage their rehousing and compensation entitlements during the Housing Regeneration Programme.

Having read the Local Lettings Plan, do you understand what this means for Council tenants affected by the Housing Regeneration Programme?

- ☐ Yes
- ☐ No

The Local Lettings Plan sets out six options for Council tenants to be rehoused after leaving their current home.

Do you think the rehousing options presented in the Local Lettings Plan are fair to Council tenants affected by the Housing Regeneration Programme?

- ☐ Yes
- ☐ No

If you answered no, what could make the process fairer?

Having read the Local Lettings Plan do you think there is anything else that should be included in it?

- ☐ Yes
- ☐ No

If you answered yes, please give details

If you have any comments about the Local Lettings Plan, please state below.

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Housing Regeneration Programme - Decant Policy and Possession Procedure Consultation Questionnaire

Please enter your e-mail address:

The aim of the Decant Policy and Possession Procedure is to clearly explain to Council tenants how the Council will manage their rehousing needs during the Housing Regeneration Programme.

Having read the Decant Policy and Possession Procedure, do you understand what this means for Council tenants affected by the Housing Regeneration Programme?

☐ Yes

☐ No

The Decant Policy and Possession Procedure sets out the options for Council tenants to be rehoused after leaving their current home.

Do you think the rehousing options presented in the Decant Policy and Possession Procedure is fair to Council tenants affected by the Housing Regeneration Programme?

☐ Yes

☐ No

If you answered no, what could make the process fairer?

Having read the Decant Policy and Possession Procedure do you think there is anything else that should be included in it?

☐ Yes

☐ No

If you answered yes, please give details

If you have any comments about the Decant Policy and Possession Procedure, please state below.

0/4000



Havering

LONDON BOROUGH

London Borough of Havering Council

Decant Satisfaction Report January 2018

In review of the Housing Regeneration Programme Decant Process

SUMMARY REPORT AND RESULTS 2018



Havering

LONDON BOROUGH

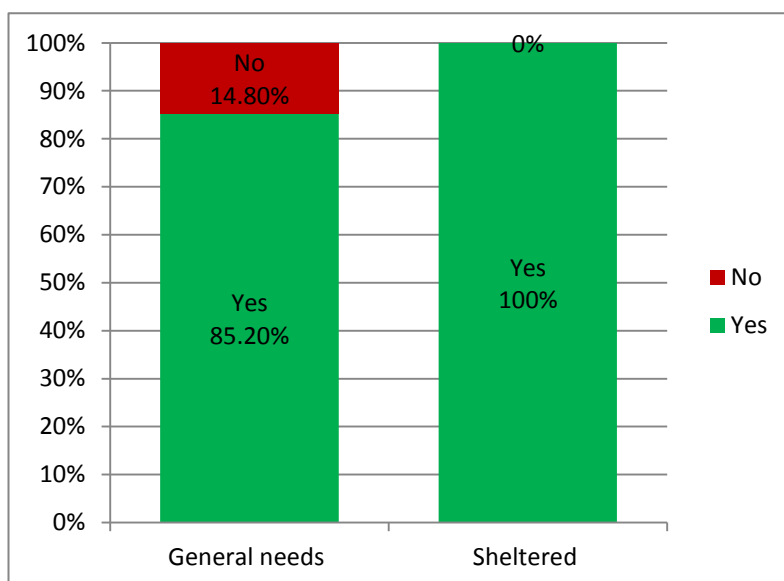
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1. Introduction	2
2. Key Results and Findings	2 - 5
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1. INTRODUCTION

- 1.1** This report sets out the key findings from the decant satisfaction survey, which has been completed by Council Tenants at the end of the decant process to gauge their content with each stage of the process.
- 1.2** The survey is an opportunity for tenants to provide the Council with an understanding of public attitudes, opinions and the satisfaction relating to the decant process and basis for which lessons can be learned, and services improved.

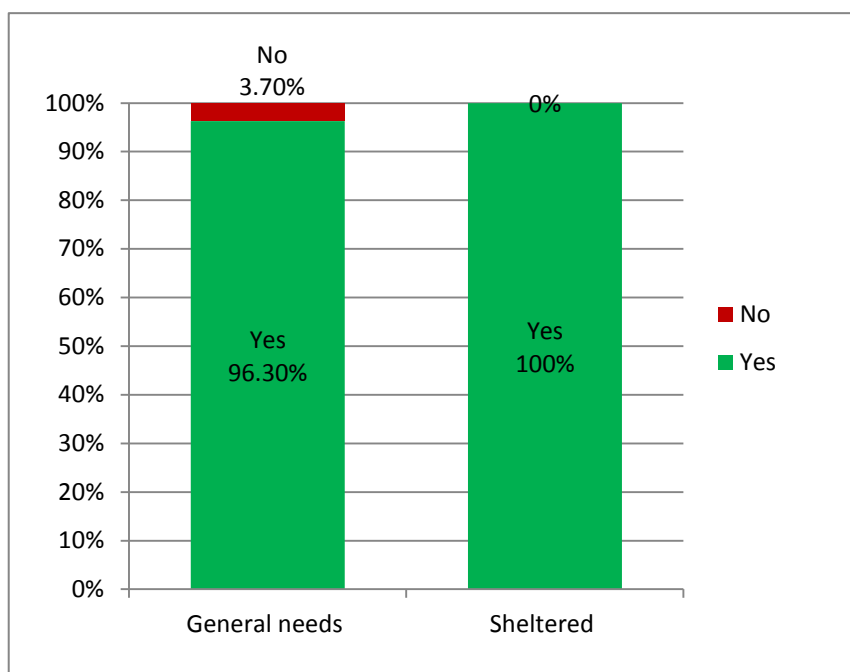
2. KEY FINDINGS AND RESULTS

- 2.1.** Results show that overall 94% of Council tenants found their initial one-to-one discussion with their assigned housing officer informative. 4 of the 63 of respondents were dissatisfied with their initial discussion, stating that little or no information was shared with them at this point.



	General needs	Sheltered	Cumulative
Yes	85.20%	100%	59
No	14.80%	0%	4
Number of Respondents	27	36	63

2.2. Results show that overall 98.3% of respondents were happy with the manner in which they were being kept updated throughout the decanting process e.g. newsletters, meetings, social media etc. Comments provided in response to this question advised that content was not informed enough; however no specific content or other communication methods were suggested at this point.

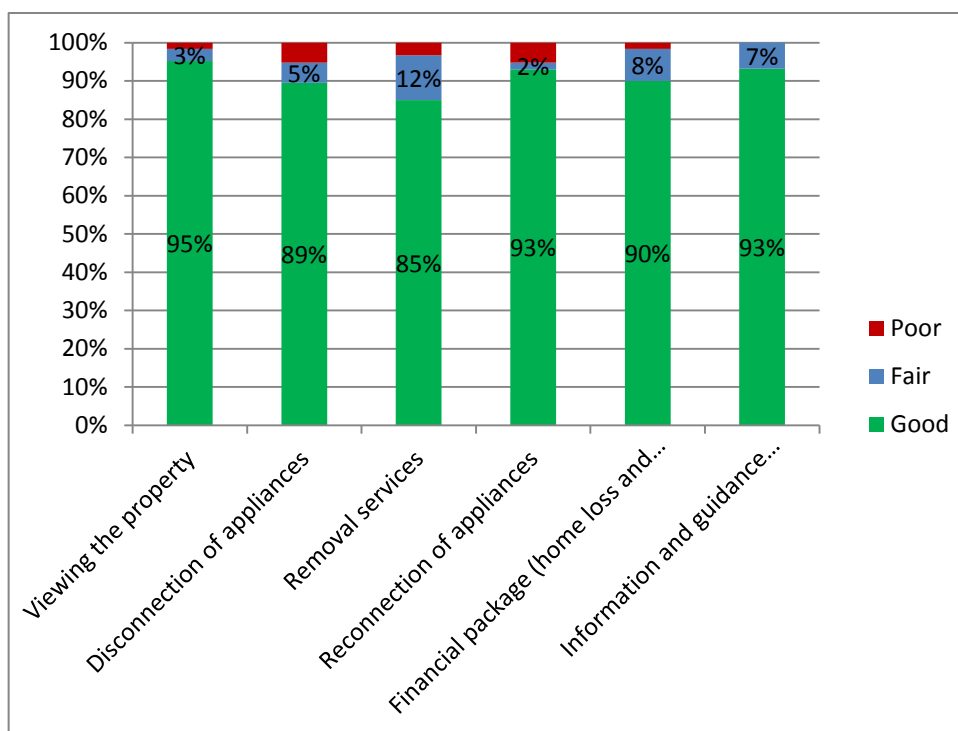


	General needs	Sheltered	Cumulative
Yes	96.30%	100%	59
No	3.70%	0%	1
Number of Respondents	27	33	60

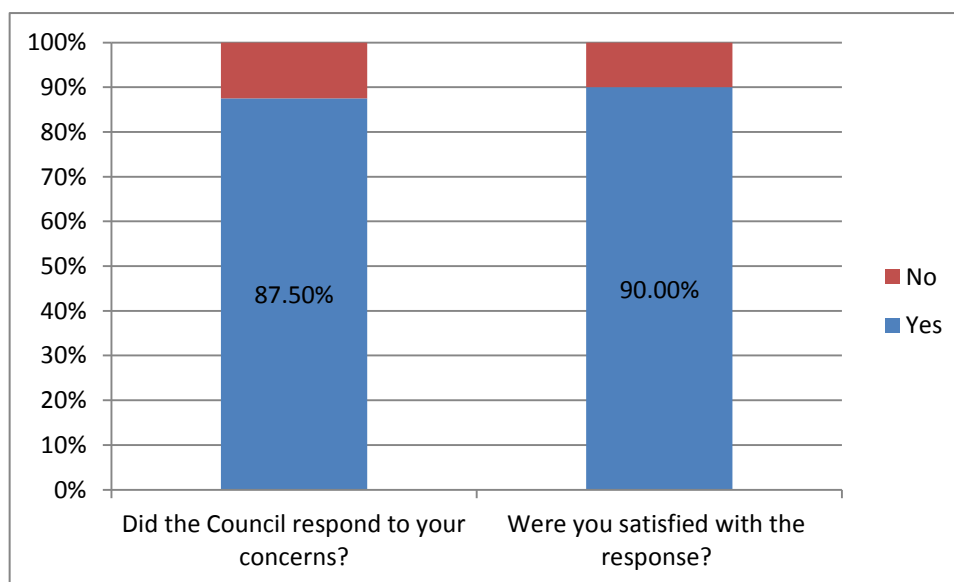
2.3. Various surveys to gauge satisfaction of the decant process (i.e. the viewing process, financial package (homeloss and disturbance payments) and the information and guidance provided throughout) have been carried out.

The results to these have consistently demonstrated an excess of 90% of respondents identifying their assessment of each stage of the process as Good or Fair. Results show a greater satisfaction amongst tenants living in Sheltered Accommodation.

Of the 13 qualitative responses received, seven were negative. Four of these were concerned with the connection and reconnection services which could be resolved by booking appointments for both with the tenants as part of the moving process. Two negative comments were made in regards to payments – one for a delay in payment and the second in regards to the repair recharges deducted from the payment. One comment of dissatisfaction was made as a result of dissatisfaction the service received during the removals process.

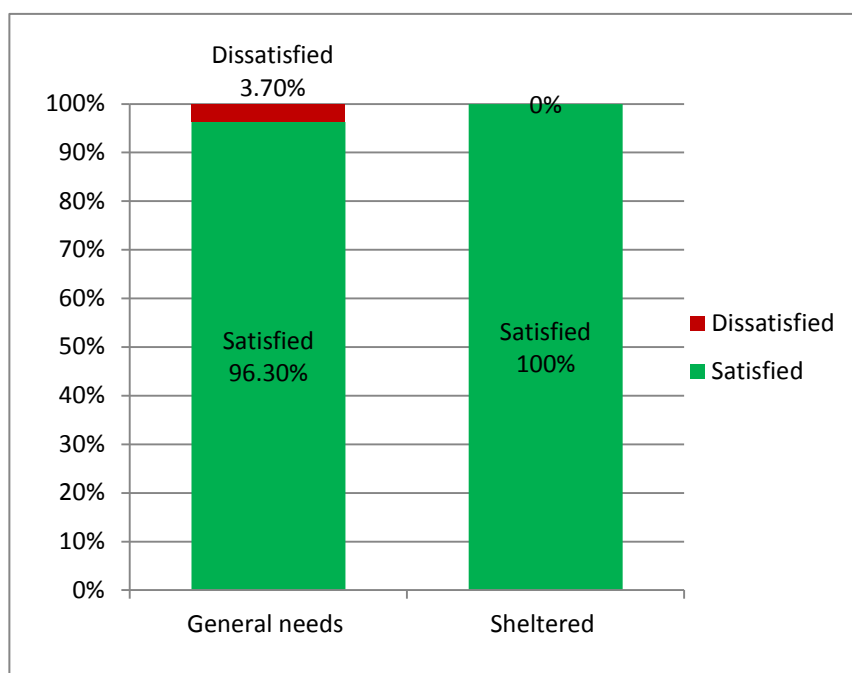


2.4 Where tenants have raised concerns during the decant process, survey results show that Council officers are responding to them and that tenants are satisfied with the responses they have received. Council response satisfaction with responses is currently at 90%.



	Yes	No	Cumulative
Did the Council respond to your concerns?	87.50%	12.50%	8
Were you satisfied with the response?	90.00%	10.00%	10

2.5. Overall, 98% of respondents expressed that they were satisfied with the decant process.



	General needs	Sheltered	Cumulative
Satisfied	96.30%	100%	56
Dissatisfied	3.70%	0%	1
Number of Respondents	27	33	57

3. CONCLUSION

Overall results suggest tenant satisfaction with the decant process. Where dissatisfaction has been expressed on a case-by-case basis, results suggest that this has been adequately addressed by regeneration staff. Consultation will continue to be an important part of the regeneration programme to ensure that all stakeholders are kept up to date with its progress and engagement with tenants during the decant process will continue to be monitored.

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CABINET

Subject Heading:

Approval to enter into Approved Provider Grant Agreement (Local Authority) in relation to the Affordable Homes Programme 2016-2021

Cabinet Member:

Councillor Damian White - Deputy Leader of the Council and Cabinet Member for Housing

SLT Lead:

Steve Moore
Director of Neighbourhoods

Report Author and contact details:

Kevin Hazlewood – (Acting) Assistant Director of Housing –
kevin.hazlewood@havering.gov.uk –
01708 434091

Policy context:

Havering Housing Strategy 2014-2017

HRA Business Plan 2017-2047

National Planning Policy Framework 2012

London Plan 2011

Havering Local Development Framework and Romford Area Action Plan 2008

Romford Development Framework 2015

Havering Proposed Submission Local Plan 2017

Financial summary:

This report seeks a Cabinet decision to enter into the grant agreement with the GLA for the provision of grant funding in the sum of £30,296,000 for the 2016 – 2021 programme to support the provision of affordable housing. The grant awarded is attributable to the 12 HRA Estates Regeneration JV Procurement.

Is this a Key Decision?

Yes

When should this matter be reviewed?

January 2019

Reviewing OSC:

Towns and Communities

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

Communities making Havering [✓]
Places making Havering [✓]
Opportunities making Havering [✓]
Connections making Havering [✓]

[]

SUMMARY

This report seeks approval from Cabinet to enter into the Approved Provider Grant Agreement (Local Authority) in relation to the Affordable Homes Programme 2016-2021 with the Greater London Authority (GLA) as the funding body.

RECOMMENDATIONS

1. **Approve** the entering into contract with the GLA for the provision of grant funding for the 2016 – 2021 programmes to support the provision of affordable housing.
2. **Agree** for the agreement be executed under the Council's common seal as a Deed and signed in accordance with the agreed scheme of delegations
3. **Agree** to delegate to the Leader of the Council, after consultation with the Director of Neighbourhoods, authority to agree and sign any extension, variation or general contract management powers.

REPORT DETAIL

In November 2016 the Mayor of London published the prospectus "Homes for Londoners: Affordable Homes Programme 2016-21" which outlined the bidding and award criteria for a new affordable housing programme. The programme was established in response to the GLA securing over £3bn from Government to help start building at least 90,000 affordable homes by March 2021. Approved providers, including the Council, were invited to submit bids.

The bid submitted centred on the project for the delivery of additional affordable housing associated with the proposed regeneration of 12 Housing Estates owned and managed by the Councils Housing Services department. The details of the bid submitted are contained in appendix one. The Council advised the GLA that the proposed scheme was subject to a procurement exercise being conducted in accordance with the Public Contracts Regulations 2015. Consequently at the time of bidding the timing details were indicative.

On the 13 July 2017 the Council was awarded **£30,296,000** subject to the entering into the Approved Provider Grant Agreement (Grant Agreement).

REASONS AND OPTIONS

Reasons for the Decision

By entering into the agreement the Council will access grant funding to complement a Joint Venture Limited Liability Partnership to bring forward the delivery of affordable housing associated with the 12 Estates Regeneration programme. Consequently the Council is therefore better placed to secure its regeneration.

Other options considered

To undertake the scheme without grant funding.

Rejected - A detailed financial appraisal was completed for the development of the sites in question. This confirmed the Council could not deliver the scheme from its existing resources without significant borrowing being required. The interest burdens would place pressure on the HRA Business Plan and remove the flexibility of the borrowing headroom attributable to the HRA.

IMPLICATIONS AND RISKS

Financial implications and risks:

If the Council does not enter into the Approved Provider Grant Agreement (Grant Agreement) this will have implications for the delivery of the 12 Estates Regeneration Programme.

Under the terms of the agreement, the GLA will provide £30.296 million of grant which would be used to fund the acquisition of the affordable homes by the proposed 12 estates joint venture on the first four estates. This is an indicative allocation, the Council has the opportunity to seek further grant for additional affordable units developed on the four sites.

The GLA agreement imposes a number of key conditions on the Council. A breach would result in the Council repaying a proportion of the grant to the GLA.

One of the key requirements is that the rents on the affordable homes are capped at the London Living rent levels. Annual increases are capped at CPI + 1%.

The receipt of this grant funding is key to the delivery of the project and reduces the risk of failure and impact on the amount of affordable housing being delivered.

Without the grant, the Council would be reliant on borrowing to help meet the cost of acquiring the affordable housing.

Legal implications and risks:

This report seeks authority to enter into a grant agreement with the GLA and is brought to Cabinet in accordance with Havering's Contract Procedure Rule 16.4 which requires contracts with a value of more than £10,000,000 to be reported to the Leader or Cabinet for approval and award of contract, depending upon the powers delegated.

The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Furthermore, as Section 1 of the Localism Act 2011 gives the Council a general power of competence, the Council has the power to receive grant funding and enter into a grant agreement.

The GLA, at its discretion, has reserved the right to recover from the Council, the total grant sum or part of the total grant sum due to:

- (A) a misrepresentation made by or on behalf of the Council;
- (B) an overpayment or error made by the GLA;
- (C) termination of the Grant Agreement in accordance with clauses 18.1 or 18.6;
- (D) the failure of any Early Start Project to achieve start on site by 31 March 2019;
- (E) the Council having breached specific obligations set out in the Grant Agreement (specifically Conditions **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.** or **Error! Reference source not found.**);
- (F) the Council having failed to deliver a project for the development of AHP Dwellings in accordance with the agreed Named Project Details as set out in the GLA Open Project System;
- (G) the Council having defrauded or attempted to defraud or conspired to defraud the GLA or the Homes and Communities Agency;
- (H) the Council having offered any servant of the GLA any gift or consideration of any kind as an inducement or reward for any act in relation to the obtaining or performance of the Grant Agreement or for showing or not

showing favour or disfavour to any person in relation to the Grant Agreement;

- (I) the Council having entered into the Grant Agreement which commission has been paid or has been agreed to be paid by the Council or on its behalf or to its knowledge;
- (J) the Council having committed any offence under Legislation creating offences in respect of fraudulent acts, at common law in respect of fraudulent acts in relation to this Agreement or under the Bribery Act 2010.

The Grant Agreement also requires the Deputy Director for Legal and Governance to give a certificate that amounts to a warranty that the Council has the power and authority to enter into, observe and perform the terms and obligations under the Grant Agreement and has obtained all relevant consents and approvals (statutory or otherwise) to authorise the execution and delivery of the Agreement and the performance and validity of the obligations under it. She will rely on the advice of the solicitors instructed in this matter before completing the certificate.

Human Resources implications and risks:

There are no significant implications associated with the entering of this agreement relating to Human Resources policy or operations within service.

Equalities implications and risks:

The public sector equality duty under section 149 of the Equality Act 2010 ("PSSED") requires the Council when exercising its functions to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) (ii) the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between those who have protected characteristics and those who do not. '

Protected characteristics' include: gender, race and disability, sexual orientation, age, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

The wider implications associated with the project are addressed in a separate cabinet report. Consequently all matters associated as a result of entering this agreement are addressed.

BACKGROUND PAPERS

None

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Mr Andrew Blake-Herbert

Chief Executive
London Borough of Havering Council
Mercury House (5th Floor)
Mercury Gardens
Romford
RM1 3SL

Housing and Land

Date: 13 July 2017

Dear Andrew Blake-Herbert,

Homes for Londoners - Affordable Homes Programme 2016-21

Thank you for the ambition shown by your organisation to deliver genuinely affordable homes in London. I am pleased to confirm that we would like to offer you a funding allocation as set out in annex one.

You will be contacted in the next few days to commence the contracting process and further details will be posted to our website. We expect to conclude the contracting process before the end of September and I would be grateful for your assistance in ensuring this can happen as quickly as possible.

Whilst this round of allocations provides a strong foundation for delivery against the Mayor's housing targets we are keen to take up further opportunities for new developments and are now open for continuous bidding. I encourage you or your colleagues to discuss pipeline proposals with your GLA Area Manager contact at the earliest opportunity.

These allocations represent just the start of delivery against our ambitious aims and it is vital that our teams continue to work closely together in order to unlock, optimise and accelerate opportunities to build as many genuinely affordable homes for Londoners as possible.

Yours sincerely



Jamie Ratcliff
Assistant Director – Housing

CC: Mr Neil Stubbings, Head of Housing Services

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dated

2017

Greater London Authority

and

The London Borough of Havering

Approved Provider Grant Agreement (Local Authority)

in relation to the Affordable Homes Programme 2016-2021

Trowers & Hamlins LLP
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Grant Agreement

Dated

Parties

- (1) **Greater London Authority** of City Hall, The Queen's Walk, More, London SE1 2AA (the **GLA**); and
- (2) **The London Borough of Havering** whose office is at Town Hall, Main Road, Romford, RM1 3BB (the **Grant Recipient**).

Introduction

- (A) The Localism Act 2011 devolved the housing and regeneration functions of the Homes and Communities Agency in London to the GLA.
- (B) The Grant Recipient has submitted a bid to the GLA for grant funding to assist the Grant Recipient in the construction of affordable housing.
- (C) The GLA has agreed to advance grant funding to the Grant Recipient pursuant to the GLA's Affordable Homes Programme 2016-2021 to facilitate the delivery of certain affordable housing projects subject to and in accordance with the terms of this Agreement.
- (D) Grant paid by the GLA to the Grant Recipient pursuant to this Agreement is social housing assistance as defined in Section 32(13) of the Housing and Regeneration Act 2008.
- (E) This Agreement, together with any other relevant GLA decisions places a public service obligation on the Grant Recipient to provide affordable homes for such persons who are failed by the housing market and require accommodation suited for their needs.
- (F) This Agreement together with statutory and other instruments constitutes an entrustment (within the meaning of the SGEI Decision) from the GLA to the Grant Recipient to provide suitable accommodation for families and residents in London who are failed by the housing market.
- (G) The grant funding provided under this Agreement is (at its date) made in compliance with the requirements set out in the European Commission's Decision of 20 December 2011 concerning public service compensation granted for Services of General Economic Interest (2012/21/EU).

1 Definitions and interpretation

1.1 Definitions

In this Agreement unless the context otherwise requires the following terms shall have the meanings given to them below:

Actual Development Costs means in respect of each Named Project the amount of Development Costs actually incurred by the Grant Recipient in acquiring, developing and/or Rehabilitating that Named Project as such amount is warranted and certified by the Grant Recipient pursuant to Condition 13.2.3 and Condition 13.4.4;

Additional Project means a project for the delivery of AHP Housing proposed by the Grant Recipient under Condition 8 in addition to those projects comprised within the Original Approved Bid;

Additional Project Acceptance Date means the date upon which the GLA confirms acceptance of an Additional Project pursuant to Condition 8.3;

Affordable Housing has the meaning given to it under the heading "Policy 3.10 Definition of Affordable Housing" of The London Plan (as the same may be amended, updated or replaced from time to time);

Affordable Housing Capital Funding Guide means the guide of that name published on www.london.gov.uk/CFG or any successor guide so published subject to such amendments variations or updates to the same as may be published from time to time;

Affordable Starts Certificate means a certificate in the form set out in Part 1 of Annexure 2;

Affordable Starts Condition means at least fifty per centum (50%) of the Grant Recipient and/or the Grant Recipient Affiliate's Housing Starts in London over the Assessment Period are for Affordable Housing dwellings;

Affordable Starts Final Certificate means a certificate in the form set out in Part 2 of Annexure 2;

Aggregate Development Costs means the aggregate of the Development Costs incurred by the Grant Recipient under or in connection with the Agreement;

Agreed Principles means the terms set out in Part 1 of Schedule 1;

Agreed Purposes means the tenures for which each of the AHP Dwellings is to be used as such tenures are described in the Named Project Details;

Agreement means this grant agreement (including its Schedules and Annexures);

Agreement Funding means the aggregate of Named Project Grant paid to and Fund Proceeds used by the Grant Recipient under or in connection with this Agreement;

AHP 2016/21 means the programme described in the publication entitled "Homes for Londoners: Affordable Homes Programme 2016-21 Funding Guidance" issued by the GLA in November 2016 (as the same may be amended or updated from time to time);

AHP Dwelling means:

- (a) a house, flat or maisonette which was developed with the benefit of Fund Proceeds and/or grant funding payable under this Agreement and in relation to each relevant Named Project as more particularly described in the relevant Named Project Details; and
- (b) a Nil Grant Unit;

AHP Housing means housing provided by the Grant Recipient pursuant to this Agreement that will be made available:

- (a) permanently on Shared Ownership Lease terms;
- (b) at a London Living Rent; or
- (c) permanently at a London Affordable Rent;

in accordance with the terms of this Agreement;

Allocated Fund Proceeds means the Fund Proceeds the parties have agreed will be applied towards the Approved Bid (as the same may be amended from time to time in accordance with the terms of this Agreement);

Allocated Net Grant means £30,296,000.00, being the maximum amount of grant payable by the GLA to the Grant Recipient in respect of the Approved Bid (as the same may be amended from time to time in accordance with the terms of this Agreement);

Allocated Total Grant means the aggregate of the Allocated Net Grant and Allocated Fund Proceeds;

AP Grant Rates means:

- (a) the sum of £60,000 (inclusive of Fund Proceeds) per LAR Dwelling let or to be let at or below Benchmark Rent Levels;
- (b) the sum of £28,000 (inclusive of RCGF Funds) per LLR Dwelling;
- (c) the sum of £28,000 (inclusive of RCGF Funds) per SO Dwelling;

Approved Bid means the aggregate of the Named Projects and Indicative Proposals (if any) accepted by the GLA in OPS as at the date of this Agreement (as the same may be amended, added to, supplemented, substituted or varied in accordance with the terms of this Agreement);

Assessment Period means the period commencing on 1 April 2016 and ending on 31 March 2021;

Benchmark Rent Levels means the rent levels set out below as the same are updated and increased for each successive Financial Year in accordance with Condition 3.2:

Number of bedrooms	2017/2018 Benchmark Rent Level (weekly rent, exclusive of service charges)
Bedsit and one bedroom	£144.26
Two bedrooms	£152.73
Three bedrooms	£161.22
Four bedrooms	£169.70
Five bedrooms	£178.18
Six or more bedrooms	£186.66

Building Contract means a contract entered into between the Grant Recipient and a Building Contractor relating to the construction and development and/or Rehabilitation of a Named Project;

Building Contractor means any building contractor or developer appointed or to be appointed by the Grant Recipient in respect of a Named Project;

Business Day means any day other than a Saturday, Sunday or a statutory Bank Holiday in England;

Capital Grant has the meaning set out in the Recovery Determination;

Capital Grant Recoverable means such amount of Capital Grant and interest thereon as the GLA is entitled to Recover under the Recovery Determination;

CDM Regulations means the Construction (Design and Management) Regulations 2015 S.I. No. 2015/51;

CEDR means the Centre for Effective Dispute Resolution;

Committed Number has the meaning ascribed to it in limb (b) of the definition of "Indicative Proposals";

Compliance Audit means the procedure (in a form advised by the GLA from time to time) by which an auditor independent of the Grant Recipient certifies (at the Grant Recipient's cost) whether the Named Projects developed or Rehabilitated pursuant to this Agreement satisfy the GLA's procedural compliance requirements (as described in the Affordable Housing Capital Funding Guide);

Condition Precedent means receipt by the GLA of the Legal Opinion;

Confidential Information means in respect of the GLA all information relating to the GLA's business and affairs, its employees, suppliers including OPS systems, data and software programs and otherwise relating to the existence or terms of this Agreement in respect of which the Grant Recipient becomes aware in its capacity as a party to this Agreement or which is received by the Grant Recipient in relation to this Agreement from either the GLA or any of its advisers or from any third party if the information was obtained by that third party directly or indirectly from the GLA or any of its advisers in whatever form in either case (including information given orally and any document electronic file or other means of recording or representing information which includes derives or is copied from such information) and in the case of the Grant Recipient means such specific information as the Grant Recipient shall have identified to the GLA in writing prior to the date hereof as confidential information for the purposes of this Agreement;

Consents means any necessary approval, authorisation, consent, exemption, licence, permit, permission or registration by or from any Relevant Authority;

Continuing Named Project means a Named Project approved by the GLA on OPS and in respect of which the Start on Site Date has or will have occurred at the date of the service of the notice referred to in Condition 18.9.1;

CORE means the national information source "Continuous Recording" that records information on new occupiers of affordable housing and the properties they rent or buy;

Council means a principal council (as defined in Section 270 of the Local Government Act 1972) or any body of government in England established as a successor to principal councils exercising the functions of a local housing authority;

CPI means the general index of consumer prices (for all items) published by the Office for National Statistics or, if that index is not published for any month, any substituted index or index figures published by that Office;

Data Controller has the meaning ascribed to it in the DPA;

Decision Allowable Costs means those costs incurred by the Grant Recipient in providing the AHP Housing as specified in OPS (calculated using generally acceptable accounting principles) as follows:

- (a) the Development Costs;
- (b) all other direct costs of providing the AHP Housing;
- (c) a proper proportion of costs (including for common infrastructure) if these are shared between AHP Housing and other construction on Sites where the AHP Housing is situated; and/or

- (d) other costs permitted under the SGEI Decision of operating the AHP Housing as affordable housing;

Decision Net Costs means under the SGEI Decision the maximum amount of aid which may be provided without Unlawful State Aid arising;

Decision Revenue means all income (including all Public Sector Subsidy but excluding Agreement Funding) which the Grant Recipient or a Grant Recipient Affiliate receives for the purposes of or earns from the AHP Housing;

Default Event means a General Default or a Project Default;

Developer-led Principles means the principles, rates and illustrations set out (inter alia) in paragraphs 47 to 52, 78 to 80, 103 to 110 (inclusive) of the Funding Guidance;

Development Costs means the costs relating to Site acquisition and Works in relation to a Named Project incurred or to be incurred by the Grant Recipient in relation to the heads of expenditure set out in Part 1 to Schedule 2 or such other heads of expenditure as the GLA may in its absolute discretion agree in respect of any Named Project **provided that** any costs falling within the heads of expenditure set out in Part 2 to Schedule 2 shall not be capable of being treated as Development Costs;

Differential Sum means the figure (expressed as a positive amount) representing the difference between zero and the negative figure referred to in Condition 18.9;

Direction means a direction to the Regulator in relation to rent given by the Secretary of State from time to time pursuant to Section 197 of the HRA 2008;

Disposal means, other than a Permitted Disposal, a transaction the effect of which is that the legal or beneficial title in any AHP Dwelling or property comprised in a Named Project on which any AHP Dwellings have been or are to be developed (as the case may be) transfers to becomes vested in or is leased to or reverts to another person;

Disposal Notification means a written notification addressed to GLA which identifies:

- (a) the nature of the Disposal;
- (b) the number and address of the AHP Dwellings and/or other property comprised within the Disposal;
- (c) the disponent other than in the case of an individual purchaser of an AHP Dwelling which is for use as his/her only or principal home; and
- (d) the amount of Total Project Grant allowed to the AHP Dwelling or property comprised within the Disposal and the quantum of such grant which the Grant Recipient will repay to the GLA and/or recycle into the Grant Recipient's RCGF in accordance with the terms of this Agreement and the Recovery Determination;

DPA means the Data Protection Act 1998;

Early Start Project means a Named Project where Start on Site is projected to occur between 1 April 2017 and 31 March 2019;

Early Start Project Default means the failure of any Early Start Project to achieve Start on Site by 31 March 2019;

EIR means the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such statutory instrument;

EIR Exemption means any applicable exemption to EIR;

Estate Regeneration means the physical regeneration of social housing estates through demolition, rebuilding or both as defined in the Good Practice Guide to Estate Regeneration;

EU Competent Authority means:

- (a) the Commission of the European Union;
- (b) the Secretary of State;
- (c) a United Kingdom government department if it has competence and is responding to a request from the Commission of the European Union; or
- (d) a court of England and Wales or the Court of Justice of the European Union;

Exempted Information means any Information that is designated as falling or potentially falling within the FOIA Exemptions or the EIR Exemptions;

Final Claim Stage means:

- (a) in respect of a Named Project which achieves Start on Site during the financial year 2017/2018, the Start on Site Date; and
- (b) in respect of all other Named Projects, the date at which the relevant Named Project reaches Practical Completion;

Financial Confirmation means a confirmation substantially in the form set out in Annexure 1 (as the same may be substituted, amended or updated from time to time);¹

Financial Year means from the date of this Agreement to the next 31 March and thereafter from 1 April to 31 March in each year;

First Payment Date means in relation to a Named Project:

- (a) falling within column A of the Table, the date referred to in column B of the Table; or
- (b) such other date as the GLA may have accepted in OPS;

First Tranche Grant means subject to Condition 5.3 such sum as is equivalent to fifty per centum (50%) of the Named Project Grant or such other percentage agreed by GLA through OPS;

FOIA means the Freedom of Information Act 2000, and any subordinate legislation made under such Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such legislation;

FOIA Authority means a public authority as defined by the FOIA and/or EIR;

FOIA Exemption means any applicable exemption to FOIA;

Fully-funded Project means a Named Project in respect of which the Total Project Grant has been paid and/or utilised by the Grant Recipient, and for the avoidance of doubt, for

¹ The GLA may from time to time notify the Grant Recipient in writing of a variation to the form and contents of the Financial Confirmation and the Grant Recipient shall promptly ensure that any subsequent Financial Confirmation complies with such variation.

the purposes of Condition 18.9.1(c), a Fully-funded Project cannot be treated as a Continuing Named Project or an Early Start Project;

Fund Proceeds means the RCGF Funds utilised by the Grant Recipient in meeting in whole or in part the Development Costs;

Funding Guidance means the document entitled "Homes for Londoners - Affordable Homes Programme 2016-21 Funding Guidance" issued by the GLA in November 2016 (as the same may be substituted, amended or updated from time to time);

General Default has the meaning given to it in Condition 18.1;

General Termination Event means an event pursuant to which this Agreement is terminated pursuant to Condition 18.5;

GLA Group means the Greater London Authority, any Functional Body of the Greater London Authority as defined by the Greater London Authority Act 1999 (as amended from time to time) and subsidiaries thereof;

GLA's Representative means such person or persons as the GLA may nominate to act as its representative from time to time for the purposes of this Agreement;

Good Practice Guide to Estate Regeneration means the guidance of the same name to be published by the GLA;

Grant Recipient Affiliate means a third party whose relationship with the Grant Recipient falls within limb (b) of the definition of Grant Recipient Party;

Grant Recipient Party means:

- (a) the Grant Recipient, the Building Contractor, any member of the Professional Team, agent, employee or Subcontractor of the Grant Recipient and the Grant Recipient's Representative; or
- (b) any subsidiary, associate or joint venture in which a local authority has a material interest sufficient to require group financial statements to be prepared which account for these interests, in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2017/18 (as amended or updated) which is the Statement of Recommended Practice on local authority accounting or any code or other document which replaced it as the Statement of Recommended Practice; or
- (c) any subsidiary (which, for the avoidance of doubt, does not include a joint venture) in which a local authority, either itself or through another entity,;
 - i holds a majority of the voting rights; or
 - ii is a member and has the right to appoint or remove a majority of its board of directors or trustees; or
 - iii is a member and unilaterally controls alone, pursuant to an agreement with other members, a majority of the voting rights;

Grant Recipient Subsidiary means a third party whose relationship with the Grant Recipient falls within limb (c) of the definition of Grant Recipient Party;

Grant Recipient's Representative means the Grant Recipient's Development Director or such other person agreed by the GLA to act as the Grant Recipient's representative from time to time for the purposes of this Agreement;

Homes and Communities Agency means the body corporate established under Section 1 of the HRA 2008; (and any successor body or agency carrying out the same or similar functions in whole or in part);

Housing Moves means the scheme operated by the GLA to facilitate the mobility within London of existing tenants within London of London Boroughs or Private Registered Providers or such other scheme as the GLA shall designate from time to time;

Housing Start means the occurrence of all of the following in relation to a dwelling:

- (a) a building contract has been entered into between the Grant Recipient or a Grant Recipient Subsidiary (as applicable) and a contractor or a development agreement has been entered into between the Grant Recipient or a Grant Recipient Subsidiary (as applicable) and a developer covering the construction or development of such dwelling;
- (b) such building contractor or developer has taken possession of the site on which such dwelling will be delivered; and
- (c) the Start on Site Works to such site have commenced;

HRA 2008 means the Housing and Regeneration Act 2008;

HS Act means the Health and Safety at Work etc. Act 1974;

Indicative Allocation means such part of the Allocated Total Grant attributed to the Indicative Proposals in OPS;

Indicative Dwelling means an LLR Dwelling or SO Dwelling forming part of the Indicative Proposals;

Indicative Proposals means the Grant Recipient's proposals (comprised within the Original Approved Bid) for the development of a specified number of further LLR Dwellings and/or SO Dwellings as set out in OPS including details of:

- (a) the Financial Year in which such dwellings will achieve Start on Site (the **Start Year**); and
- (b) the number (by tenure type) of such dwellings to achieve Start on Site in each Start Year (the **Committed Number**);

Information has the meaning in relation to:

- (a) the FOIA, given under Section 84 of the FOIA and which is held by the GLA or the Grant Recipient (as appropriate) at the time of receipt of an RFI; and
- (b) EIR, given under the definition of environmental information in Regulation 2 of the EIR and which is held by the GLA or Grant Recipient (as appropriate) at the time of receipt of an RFI;

Information Commissioner has the meaning set out in Section 6 of the DPA 1998;

Intellectual Property Rights shall include without limitation all rights to, and any interests in, any patents, designs, trademarks, copyright, know-how, trade secrets and any other proprietary rights or forms of intellectual property (protectable by registration or not) in

respect of any technology, concept, idea, data, program or other software (including source and object codes), specification, plan, drawing, schedule, minutes, correspondence, scheme, formula, programme, design, system, process logo, mark, style, or other matter or thing, existing or conceived, used, developed or produced by any person;

Interest means interest at a rate per annum equal to two per centum (2%) above the base rate from time to time of the Royal Bank of Scotland plc;

Investment Partner means an organisation which has been confirmed by the GLA as having "Investment Partner Status" under the GLA's Investment Partner qualification procedure from time to time;

Land Acquisition Date means the later of:

- (a) the date upon which the Grant Recipient acquires or acquired a Secure Legal Interest in the Site and for the purposes of this definition the parties acknowledge and agree that limb (d) of the definition of Secure Legal Interest shall be disregarded and of no effect; and
- (b) the date of the Grant Recipient's application for payment of First Tranche Grant in respect of the relevant Named Project pursuant to Condition 13.1;

LAR Dwelling means an AHP Dwelling let or to be let at a London Affordable Rent to individuals in housing need and on terms which comply with the applicable provisions of Condition 10.4;

Law means any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, rule of court or directives or requirements of any Regulatory Body, delegated or subordinate Legislation or notice of any Regulatory Body;

Legal Opinion means a legal opinion in the form set out in Schedule 3 given by the Grant Recipient's solicitor and dated prior to the date of this Agreement;

Legislation means:

- (a) any Act of Parliament;
- (b) any subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978;
- (c) any exercise of the Royal Prerogative;
- (d) any enforceable EU right within the meaning of Section 2 of the European Communities Act 1972,
in each case in the United Kingdom; and
- (e) any regulations, orders, bye-laws or codes of practice of any local or statutory or EU Competent Authority or United Kingdom Competent Authority (as the case may be) having jurisdiction over the territory in which the Named Project is situated;

LLR Dwelling means an AHP Dwelling let or to be let at a London Living Rent and on terms which comply with the applicable provisions of Condition 10.4;

LLR Rent Level means a rent which does not exceed the rent level published by GLA at www.london.gov.uk/londonlivingrent as adjusted by GLA from time to time;

LLR Tenant means an individual who fulfils the criteria for an occupant of an LLR Dwelling set out in the Affordable Housing Capital Funding Guide;

London means the administrative area of the Greater London Authority from time to time;

London Affordable Rent means a weekly rent which does not exceed the Benchmark Rent Level (exclusive of service charges) for an equivalent property of the relevant size and number of bedrooms such rent to be assessed and set in accordance with the applicable requirements of the Affordable Housing Capital Funding Guide, Legislation, the Rent Guidance and any other relevant guidance issued by the Regulator (as any of the same may be amended, replaced or updated from time to time);

London Living Rent means a rent which does not exceed the LLR Rent Level (inclusive of service charges) for an equivalent property of the relevant size and number of bedrooms in the relevant Ward and which is set in accordance with the applicable requirements of Legislation and the Affordable Housing Capital Funding Guide and any other relevant guidance issued by the Regulator (as any of the same may be amended, replaced or updated from time to time);

London Living Wage means the basic hourly wage of £9.75 (before tax, other deductions and any increase for overtime) as may be updated from time to time by the Resolution Foundation, overseen by the Living Wage Commission, or any successor body carrying out the relevant calculation;

Material Adverse Effect means the effect of any event or circumstance which is reasonably likely to be materially adverse to the ability of the Grant Recipient to deliver the Approved Bid or a Named Project (as the context requires) on the basis agreed under this Agreement and/or within the time limits (if any) for doing so;

Milestone means the Start on Site and/or the Practical Completion stages of a Named Project as agreed by the parties and set out in OPS;

Milestone Date means the date agreed by the GLA through OPS by which the relevant Milestone must have been achieved (as the same may be extended by the GLA pursuant to Condition 7.1);

Milestone Extension Event means any of the following:

- (a) exceptionally adverse weather conditions;
- (b) delay in receipt of any necessary permission or approval of any statutory body or other person which the Grant Recipient has taken all practicable steps to avoid or reduce;
- (c) the exercise after the date of this Agreement by the United Kingdom Government of any statutory power which directly affects the execution of the Works necessary to the delivery of the Named Project by restricting the availability or use of labour which is essential to the proper carrying out of such Works or preventing the Grant Recipient from, or delaying in, securing such goods or materials or such fuel or energy as are essential to the proper carrying out of such Works;
- (d) the use or threat of terrorism and/or the activity of the relevant authorities in dealing with such use or threat;
- (e) fire, explosion, lightning, storm, tempest, flood, bursting or overflowing of water tanks, apparatus or pipes, ionising radiation, earthquakes, riot and civil commotion;

- (f) failure by any statutory undertaker, utility company or other like body to carry out works or provide services;
- (g) any accidental loss or damage to the development or any roads servicing it;
- (h) any failure or shortage of power, fuel or transport;
- (i) any blockade or embargo;
- (j) any:
 - i official or unofficial strike;
 - ii lockout;
 - iii go-slow; or
 - iv other dispute,
 generally affecting the house building industry or a significant sector of it;
- (k) the appointment of the Building Contractor under the Building Contract has been terminated or the Building Contract has been terminated;
- (l) any material failure by the Building Contractor under the terms of the Building Contract which has the direct result of delaying the Grant Recipient's compliance with a Milestone Date and which did not result from the Grant Recipient's failure effectively to manage the Building Contract; or
- (m) any impediment, prevention or default, whether by act or omission by the GLA except to the extent caused or contributed to by any default, whether by act or omission, of the Grant Recipient;

unless:

- A any of the events arise (directly or indirectly) as a result of any wilful or negligent default or wilful or negligent act of the Grant Recipient or, save in respect of the event referred to in (k) above, any of its Subcontractors of any tier; or
- B in respect of the event referred to in (f) above, such event arises as a result of any failure by the Grant Recipient (whether wilful or otherwise) to notify the relevant statutory undertaker or utility company of the requirement for works or services to be completed by the date required to enable the Grant Recipient to complete the Named Project by the Named Project Completion Date;

Milestone Failure means a failure by the Grant Recipient fully to achieve any Milestone by the relevant Milestone Date;

Named Project means each project for the development of AHP Dwellings as has been fully detailed in OPS and accepted by the GLA through OPS as a Named Project as at the date hereof or in accordance with any of Conditions 5.1, 8.4 or 18.6.3;

Named Project Completion Date means the date set out in the Named Project Delivery Timetable by which the Site acquisition (if applicable) and Practical Completion must have been achieved;

Named Project Delivery Timetable means the timetable for the acquisition, construction, development (and/or Rehabilitation) and delivery of each Named Project as agreed by the GLA through OPS;

Named Project Details means the descriptive and other details in respect of each Named Project as accepted by the GLA through OPS (as the same may be varied from time to time in accordance with the terms of this Agreement);

Named Project Grant means the amount of grant payable by the GLA in respect of a Named Project as set out in the relevant Named Project Details and which, save as provided in Condition 18.9.1(c)iv, excludes Fund Proceeds;

Named Project Start Date means the date set out in the Named Project Delivery Timetable by which the Named Project must have achieved Start on Site;

NHBC means the National House-Building Council;

Nil Grant Unit means a house, flat or maisonette comprised within a Named Project in respect of which the Grant Recipient did not (a) seek grant funding under the AHP 2016/21 or (b) utilise any Fund Proceeds;

Non Compliance Notification Date means the date on which the GLA notifies the Grant Recipient that it has become aware that a Named Project in respect of which Total Project Grant has been paid or utilised does not meet the Named Project Details;

Non Start Dwelling means an Indicative Dwelling which does not or will not achieve Start on Site in the relevant Start Year;

Open Book Basis means the full and transparent disclosure and declaration of all information which the Grant Recipient or a Grant Recipient Party is required to maintain, keep or disclose under this Agreement including all price components including profit margins, central office overheads, Site overheads, preliminaries, contingencies and the cost of all materials, goods, equipment, work and services, apportionments of such items together with all and any books of accounts together with such other information as the GLA reasonably requires to monitor compliance with the SGEI Decision;

Open Book Obligations mean the obligations set out in Condition 19;

OPS means the "GLA Open Project System", being the GLA's on-line investment management system from time to time or any successor system;

Original Approved Bid means the aggregate of the Named Projects and Indicative Proposals (if any) accepted by the GLA pursuant to Condition 5.1.1;

Overpaid Sum means such amount as represents the difference between the Total Project Grant and the Recalculated Grant Sum;

Permitted Disposal means any of the following:

- (a) the grant of a tenancy (compliant with Condition 10.4) in respect of an LAR Dwelling or a LLR Dwelling;
- (b) the grant of a Shared Ownership Lease (which, for the avoidance of doubt, does not include the subsequent acquisition by the occupier of an increased share of the equity of the relevant SO Dwelling);
- (c) a disposal to a statutory undertaker for the purposes of the supply or transmission (whether exclusively or otherwise) of statutory services to the Site;

- (d) a disposal pursuant to or required by a planning obligation within the meaning of s106 or s299A of the TCPA in connection with the Named Project;
- (e) a disposal to a highway authority for the purposes of or in connection with the adoption of roads, footpaths or cycleways on the Site;
- (f) the grant of any mortgage or charge; or
- (g) the grant of an easement;

Personal Data has the meaning ascribed to it in the DPA;

Planning Permission means the grant of detailed planning permission either by the local planning authority or the Secretary of State;

Practical Completion means that stage in the execution of a Named Project when the Works have been completed in accordance with the terms of the relevant Building Contract and/or the terms of this Agreement such that the AHP Dwellings comprised within the Named Project are fit for beneficial occupation as a residential development in accordance with applicable NHBC or equivalent requirements current at the date of inspection subject only to the existence of minor defects and/or minor omissions at the time of inspection which are capable of being made good or carried out without materially interfering with the beneficial use and enjoyment of the Named Project and which would be reasonable to include in a snagging list, and Practically Complete shall be construed accordingly;

Private Registered Provider means a body entered on the Register as a non-profit organisation (as such term is defined in Section 115 of the HRA 2008);

Process has the meaning ascribed to it in the DPA;

Procurement Law means (as the case may be):

- (a) prior to the date on which the United Kingdom ceases to be a Member State of the European Union all applicable United Kingdom and European Union procurement Legislation and any implementing measures including European Union Directives 2014/23/EU (on the award of concession contracts) and 2014/24/EU (on Public Procurement); the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 insofar as the same are applicable; and
- (b) on or after the date the United Kingdom ceases to be a Member State of the European Union the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 (insofar as the same are applicable) together with any statutory modification or replacement regulations or Legislation on procurement by public bodies (including Private Registered Providers);

Professional Team means (as applicable) the architect, civil & structural engineer, the mechanical & electrical engineer and any other consultant appointed by the Grant Recipient in connection with a Named Project;

Prohibited Act means:

- (a) offering, giving or agreeing to give to any servant of the GLA any gift or consideration of any kind as an inducement or reward:
 - i for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement; or

- ii for showing or not showing favour or disfavour to any person in relation to this Agreement;
- (b) entering into this Agreement or any other agreement with the GLA relative to this Agreement in connection with which commission has been paid or has been agreed to be paid by the Grant Recipient or on its behalf, or to its knowledge, unless before the relevant agreement is entered into particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the GLA;
- (c) committing any offence:
 - i under Legislation creating offences in respect of fraudulent acts;
 - ii at common law in respect of fraudulent acts in relation to this Agreement; or
 - iii under the Bribery Act 2010;
- (d) defrauding or attempting to defraud or conspiring to defraud the GLA or the Regulator;

Project Default has the meaning given to it in Condition 18.2;

Project Termination Event means an event pursuant to which this Agreement is terminated in relation to a particular Named Project pursuant to Condition 18.6;

Public Sector Subsidy means all funding or subsidy in relation to a Named Project in money or money's worth (including the Agreement Funding) received or receivable by the Grant Recipient from public sector bodies including for this purpose funding from the European Commission, government bodies (whether national or local) or bodies in receipt of lottery funds from the National Lottery Distribution Fund pursuant to the National Lotteries Acts 1993 and 1998 and any further funding by the GLA not provided under this Agreement;

Purchase Point means the date upon which a SO Dwelling is sold to its first purchaser or in relation to a LLR Dwelling a date which is not earlier than ten years after the point at which such LLR Dwelling first becomes available for letting;

Quarter means the period between each Quarter Date;

Quarter Date means 31 March, 30 June, 30 September or 31 December;

RCGF means the Recycled Capital Grant Fund maintained by the Grant Recipient in accordance with the Recovery Determination;

RCGF Funds means that amount of the Grant Recipient's RCGF which the parties have agreed will be applied towards the Development Costs;

Recalculated Grant Sum (RGS) means the result of the following calculation:

$$\text{RGS} = \text{Number of AHP Dwellings identified in the Named Project Details (excluding Nil Grant Units)} \times \text{£28,000 (inclusive of any Fund Proceeds);}$$

Recover has the meaning set out in the Recovery Determination;

Recoverable Project Grant means the aggregate of the Named Project Grant paid to and the RCGF Funds used by the Grant Recipient in relation to a Named Project;

Recovery Determination means the Recovery of Capital Grants from Registered Providers and Recycled Capital Grant Fund (Greater London) General Determination 2017 and any successor determination or other instrument;

Reduction Amount means the result of the following calculation:

Reduction Amount = number of Non Start Dwellings x £28,000;

Register means the register maintained by the Regulator pursuant to Section 111 of the HRA 2008;

Registered Provider means an English local authority entered on the Register pursuant to paragraph 3 of the Housing and Regeneration Act 2008 (Registration of Local Authorities) Order 2010;

Regulator means the Homes and Communities Agency acting through the Regulation Committee established by it pursuant to Part 2 of the HRA 2008 or any similar future authority (including any statutory successor) carrying on substantially the same regulatory or supervisory functions;

Regulatory Body means any government departments or regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Agreement or any other affairs of the GLA;

Rehabilitated or Rehabilitation or Rehabilitating shall have the meaning ascribed in sub-section 2.3 of the Affordable Housing Capital Funding Guide entitled "Procurement and Scheme Issues";

Relevant Authority means any governmental or other authority, court with relevant jurisdiction, the local planning authority, landlord, funder, adjoining landowner or any other person whose consent is required to undertake the Works necessary to the delivery of the Named Project or perform the Grant Recipient's obligations under this Agreement;

Relevant Event has the meaning attributed to it in the Recovery Determination;

Rent Guidance means "Guidance on Rents for Social Housing" issued by the Secretary of State for Communities and Local Government on 23 May 2014 as such document and/or associated guidance may be amended, updated or replaced from time to time by such Secretary of State or any successor body with similar or equivalent jurisdiction or authority;

Request for Information/RFI shall have the meaning set out in FOIA or any request for information under EIR which may relate to the Indicative Proposals, the Named Projects, this Agreement or any activities or business of the GLA;

RIDDOR means Reporting of Injuries Diseases and Dangerous Occurrences Regulations 1995;

Right to Buy means the right to purchase a dwelling at a discount conferred on tenants of Councils by Part V of the Housing Act 1985;

RTB Funds means receipts retained by the Grant Recipient pursuant to the exercise of the Right to Buy;

Second Payment Date means in relation to a Named Project:

- (a) falling within column A of the Table, the date referred to in column C of the Table; or

- (b) such other date as the GLA may have accepted in OPS;

Second Tranche Grant means subject to Condition 5.3 such sum as is equivalent to fifty per centum (50%) of the Named Project Grant or such other percentage agreed by GLA through OPS;

Section 15 Direction means a direction made by the Secretary of State under Section 15 of the Local Government Act 1999;

Section 106 Agreement means an agreement in respect of and affecting any AHP Dwelling (or prospective AHP Dwelling) made pursuant to Section 106 of the TCPA and/or Section 33 of the Local Government (Miscellaneous Provisions) Act 1982 and/or Section 38 and/or Section 278 of the Highways Act 1980 and/or Section 104 of the Water Industry Act 1991 or an agreement with any competent authority or body relating to other services;

Section 106 Project means a Named Project where the development of AHP Housing forms or will form part of a larger non AHP Housing project and is required pursuant to a Section 106 Agreement;

Section 114 Report means a report made under Section 114(3) or Section 114A of the Local Government Finance Act 1988;

Secure Legal Interest means the Grant Recipient has in respect of the Site one of the following:

- (a) freehold title registered with title absolute;
 - (b) leasehold title registered with title absolute where the lease has at least:
 - i 60 years unexpired duration; or
 - ii in the case of any Named Project comprising SO Dwellings or LLR Dwellings, 99 years unexpired duration from the projected Purchase Point;
 - (c) either:
 - i freehold title registered with possessory title; or
 - ii leasehold title registered with good leasehold title where the lease has at least:
 - A 60 years unexpired duration; or
 - B in the case of any Named Project comprising SO Dwellings or LLR Dwellings, 99 years unexpired duration from the projected Purchase Point
- and, in each case defective title indemnity insurance in favour of the Grant Recipient with a limit of indemnity to at least the Total Project Grant for that Site; or
- (d) a binding contract with the owner of the legal and beneficial interest in the Site to secure one of the interests in limbs (a) to (c) and that securing that interest is conditional only upon matters that are within the direct and unilateral control of the Grant Recipient;

SGEI Decision means the European Commission's Decision on Services of General Economic Interest dated 20 December 2011 (2012/21/EU);

SGEI Decision Overpayment means the extent to which Public Sector Subsidy (including Agreement Funding) exceeds the Decision Net Costs;

SGEI Information means such information about or relating to the Decision Allowable Costs, the Decision Revenue, the Decision Net Costs and such other information as the GLA may reasonably request;

SGEI Review means a review by the GLA of the provision or use of Agreement Funding to determine whether an SGEI Decision Overpayment has arisen in relation to any Named Project;

Shared Ownership Lease means a shared ownership lease that meets:

- (a) the conditions (except conditions (d) and (g)) specified in or under Section 5A(2) of the Rent Act 1977; and
- (b) any applicable requirements of the Affordable Housing Capital Funding Guide;

Site means the site identified to the GLA in OPS as being the area of land, buildings or dwelling-houses comprised or to be comprised in a Named Project;

SO Dwelling means an AHP Dwelling to be disposed of on Shared Ownership Lease terms;

Start on Site means the occurrence of all of the following in relation to a Named Project:

- (a) the Building Contract has been entered into;
- (b) the Building Contractor has taken possession of the Site; and
- (c) the Start on Site Works to the Site have commenced;

Start on Site Date means the date identified in OPS on which Start on Site is to have occurred;

Start on Site Works means any work of construction or demolition in relation to any dwelling including:

- (a) the digging of a trench which is to contain the foundations, or part of the foundations, of such dwelling;
- (b) the laying of any underground main or pipe to the foundations, or part of the foundations, of such dwelling or to any such trench as per (a) above;
- (c) any operation in the course of laying out or constructing a road or part of a road; or
- (d) such works of demolition or service diversion as are set out in section 2 of the Affordable Housing Capital Funding Guide;

Start Year has the meaning ascribed to it in limb (a) of the definition of "Indicative Proposals";

State Aid means (as the case may be):

- (a) any aid granted by a Member State of the European Union or through the resources of such Member State in any form whatsoever which distorts or threatens to distort competition by favouring a particular

undertaking or the production of certain goods, in so far as such aid affects trade between European Union Member States; or

- (b) any aid benefit or advantage (which includes but is not limited to assets, rates, funds and land) granted by or through a public sector body which is subject to any United Kingdom Competition Requirements;

Subcontractor means any subcontractor including without limitation any Building Contractor appointed by the Grant Recipient to undertake all or part of the Works;

Table means the following table:

Column A	Column B	Column C
Named Project where Start on Site is projected to occur and does occur between:	First Payment Date	Second Payment Date
1 April 2017 – 31 March 2018	Land Acquisition Date	Start on Site Date
1 April 2018 – 31 March 2019	Land Acquisition Date	Named Project Completion Date
1 April 2019 – 31 March 2020	Start on Site Date	Named Project Completion Date
1 April 2020 – 31 March 2021	Start on Site Date	Named Project Completion Date

TCPA means the Town and Country Planning Act 1990;

Tenancy Standard means the tenancy standard published by the Regulator from time to time pursuant to its power under Section 193 of the HRA 2008;

The London Plan means the document entitled "The London Plan – The Spatial Development Strategy for London Consolidated with Alterations Since 2011" published by the GLA in March 2016 (as the same may be amended or updated from time to time);

Total Grant Sum means the aggregate of all Named Project Grant paid to and all RCGF Funds used by the Grant Recipient under or in connection with this Agreement;

Total Project Grant means the aggregate of the Named Project Grant paid to and the Fund Proceeds used by the Grant Recipient under or in connection with a Named Project;

Tranche means either of the First Tranche Grant or the Second Tranche Grant;

United Kingdom Competent Authority means:

- (a) such persons officeholders and bodies (however constituted) that are specified under any United Kingdom Competition Requirement as having responsibility for monitoring compliance with and/or legally enforcing State Aid or United Kingdom Competition Requirements or otherwise authorised to recover any Unlawful State Aid; or
- (b) the courts of England and Wales;

United Kingdom Competition Requirement means any Legislation which:

- (a) is in force and/or in effect and/or applies (in England) on or after the date the United Kingdom ceases to be a Member State of the European Union; and
- (b) which regulates any aid funding assets or advantage granted or directed by a public sector body to the extent that the same has the ability to threaten to or actually distort either competition or an economic market in the United Kingdom and/or in any part of the European Economic Area and/or in any other country or countries;

Unlawful State Aid means (as the case may be):

- (a) State Aid which has been granted in contravention of Article 108(3) Treaty of the Functioning of the European Union (**TFEU**), does not benefit from an exemption from notification and has not been approved by a decision of the European Commission under Article 107(2) or (3) TFEU;
- (b) State Aid which has been granted after the United Kingdom ceases to be a Member State of the European Union to the extent that the same is granted contrary to or is an infringement of any United Kingdom Competition Requirement;

VAT means Value Added Tax as presently charged under the Value Added Tax Act 1994 or any tax of a similar nature;

Waiver Condition means provision of satisfactory evidence by the Grant Recipient to the GLA that the relevant Prohibited Act was committed by:

- (a) an employee acting independently of the Grant Recipient;
- (b) a Subcontractor of any tier (or any employee of a Subcontractor not acting independently of the Subcontractor);
- (c) an employee of a Subcontractor of any tier acting independently of such Subcontractor; or
- (d) any person not specified in parts (a), (b) or (c)

and the GLA is satisfied that the Grant Recipient and/or the Subcontractor (as applicable) has taken such action as is appropriate taking in to account the nature and the circumstances of the relevant Prohibited Act. "Acting independently" for these purposes means not acting with the authority or knowledge of any one or more of the directors of the Grant Recipient or relevant Subcontractor;

Ward means each of the electoral wards in London in respect of which GLA will determine the LLR Rent Level;

Withholding Event means an event or circumstance of the type described in Condition 16.1; and

Works means in relation to each Named Project all of the works (including the Start on Site Works, the design, infrastructure works and all other works necessary for obtaining access to the AHP Dwellings) to be undertaken in order to ensure that the AHP Dwellings are constructed, developed and/or Rehabilitated in accordance with the Named Project Details.

1.2 Interpretation

1.2.1 Words denoting any gender include all other genders.

- 1.2.2 The singular includes the plural and vice versa.
- 1.2.3 Any reference in this Agreement to any condition, sub-condition, paragraph, schedule, section heading or annexure is, except where it is expressly stated to the contrary, a reference to such condition, sub-condition, paragraph, schedule, section heading or annexure of this Agreement.
- 1.2.4 Any reference to this Agreement or to any other document shall include (except where expressly stated otherwise) any variation, amendment or supplement to such document to the extent that such variation, amendment or supplement is not prohibited under the terms of this Agreement.
- 1.2.5 Any reference to any enactment, order, direction, determination, regulation, guidance or similar instrument shall (except where expressly stated otherwise) be construed as a reference to the enactment, order, direction, determination, regulation, guidance or instrument (including any EU instrument) as amended, replaced, consolidated or re-enacted.
- 1.2.6 A reference to a person includes firms, partnerships and corporate bodies and their successors and permitted assignees or transferees.
- 1.2.7 Headings are for convenience of reference only.
- 1.2.8 A party means a party to this Agreement.
- 1.2.9 The words includes or including are to be construed without limitation.
- 1.2.10 A paragraph in a schedule or annexure shall be construed as reference to a paragraph in that particular schedule.
- 1.2.11 A deliberate act or omission of any person shall exclude acts or omissions which were within the contemplation of the parties or which were otherwise provided for in this Agreement.
- 1.2.12 In any case where the consent or approval of the GLA (or any officer of the GLA) is required or a notice is to be given by the GLA, such consent or approval or notice shall only be validly given if it is in writing and signed by (if relevant) the officer stipulated in this Agreement or such other person as may be specified by the GLA by notice in writing to the Grant Recipient.
- 1.2.13 An obligation to do anything includes an obligation to procure its being done.
- 1.2.14 Any restriction includes an obligation not to permit infringement of the restriction.
- 1.2.15 When there are two or more persons affected by the obligations under this Agreement such obligations are to bind each such person jointly and severally.
- 1.2.16 The terms "Site" and "Named Project" include each and every part of it.
- 1.2.17 Save where a contrary intention is shown, any reference to the GLA acting reasonably shall be interpreted as requiring the GLA to act in a commercially reasonable manner.
- 1.2.18 If there is any ambiguity or conflict between the implied terms and the express terms of this Agreement then the express terms shall prevail.
- 1.2.19 The Grant Recipient shall in relation to the delivery of its obligations under this Agreement be responsible as against the GLA for the acts or omissions of any

Grant Recipient Party as if they were the acts or omissions of the Grant Recipient.

1.2.20 Neither the giving of any approval, consent, examination, acknowledgement, knowledge of the terms of any agreement or document nor the review of any document or course of action by or on behalf of the GLA shall, unless otherwise expressly stated in this Agreement or agreed in writing by the GLA, relieve the Grant Recipient of any of its obligations under this Agreement or of any duty which it may have hereunder to ensure the correctness, accuracy or suitability of the matter or thing which is the subject of the approval, consent, examination, acknowledgement or knowledge nor confer impose or imply any liability or responsibility on or on behalf of the GLA in respect of or in connection with the matter to or in relation to which such approval consent examination acknowledgement was given or review made.

1.2.21 The terms "Allocated Total Grant" "Allocated Net Grant" "Capital Grant", "Named Project Grant" "Recoverable Project Grant" "Total Grant Sum" and "Total Project Grant" shall (unless the context precludes such interpretation) include every Tranche thereof.

2 Purpose

2.1 The GLA has agreed to:

2.1.1 make the Allocated Net Grant available to the Grant Recipient; and

2.1.2 permit the Grant Recipient to use the Allocated Fund Proceeds

to provide the AHP Dwellings subject to and in accordance with the terms and conditions of this Agreement.

2.2 Each party undertakes to co-operate with the other to facilitate the proper performance of this Agreement and the delivery of the Indicative Proposals and the Named Projects.

3 Acknowledgements, Representations and Warranties

3.1 Without prejudice to any other term of this Agreement, the Grant Recipient:

3.1.1 expressly acknowledges the Agreed Principles and agrees to observe them and to be bound by them;

3.1.2 represents and warrants in the terms set out in Part 2 of Schedule 1 to the GLA on the date hereof and on each day during the currency of this Agreement; and

3.1.3 acknowledges and agrees that the GLA is relying on such representations and warranties and that each of such warranties and representations shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to any of them or by any other provisions of this Agreement.

3.2 The parties agree that the Benchmark Rent Levels shall be increased in accordance with the following:

3.2.1 subject to Condition 3.2.2, the Benchmark Rent Levels for each successive Financial Year (**New Financial Year**) after the Financial Year 2017/2018 shall be increased with effect from 1 April in such New Financial Year in accordance with the following formula:

Benchmark Rent Level = ABRL x (CPIx + 1.01)

Where

ABRL = the actual Benchmark Rent Level for the Financial Year prior to the New Financial Year for which the calculation is being carried out; and

CPIx = the 12-month inflation rate figure (drawn from the CPI and expressed as a decimal) published for September in the Financial Year prior to the New Financial Year for which the calculation is being carried out.

- 3.2.2 If for any New Financial Year the calculation of $(CPIx + 1.01)$ produces a figure less than 1 the product of the calculation shall be deemed to equal 1.

4 **Indicative Proposals**

- 4.1 The Grant Recipient confirms that such details of the Indicative Proposals as are required by the GLA have been uploaded onto OPS by the date of this Agreement.
- 4.2 If the Indicative Proposals are accepted by the GLA in OPS, the Grant Recipient acknowledges that the terms of this Condition 4 apply from the date of that acceptance.
- 4.3 The Grant Recipient must ensure that the Indicative Proposals are worked up so that the Committed Number of Indicative Dwellings are:
- 4.3.1 profiled into Named Projects on OPS in accordance with the procedures set out in Condition 5.1; and
- 4.3.2 achieve Start on Site in the relevant Start Year.
- 4.4 If the Grant Recipient fails to comply with its obligations under Condition 4.3 the GLA shall be entitled to reduce the Indicative Allocation by the Reduction Amount and shall have no further obligation to the Grant Recipient in relation to any Non Start Dwellings whether profiled into a Named Project or otherwise.
- 4.5 Any reduction in the Indicative Allocation will result in a commensurate reduction in the Allocated Total Grant.

5 **Named Projects**

- 5.1 The Grant Recipient must:
- 5.1.1 upload such details as are required for each proposed Named Project forming part of the Grant Recipient's bid onto the GLA's OPS within five (5) Business Days of the date of this Agreement, including but not limited to the anticipated Development Costs;
- 5.1.2 (subject to Conditions 4.4 to 4.5 (inclusive)) ensure that the Committed Number of Indicative Dwellings are incorporated into one or more prospective Named Projects and uploaded onto OPS by no later than the 31 December immediately prior to the Start Year

and where in either case the relevant project is accepted by the GLA through OPS, it will become a Named Project for the purposes of this Agreement with effect from the date of its acceptance by the GLA in OPS.

- 5.2 The Grant Recipient represents and warrants to the GLA in relation to each Named Project that:
- 5.2.1 the Named Project:

- (a) is in its opinion (acting reasonably) deliverable in accordance with the Named Project Delivery Timetable; and
- (b) comprises no Public Sector Subsidy beyond that identified in the Named Project Details;

5.2.2 the Grant Recipient:

- (a) possesses or will possess a Secure Legal Interest in the Site;
- (b) has obtained all necessary Consents as are then required for the lawful development and/or Rehabilitation of the Named Project and for the delivery of the Named Project in accordance with the Named Project Details; and
- (c) has complied with all applicable requirements of the Affordable Housing Capital Funding Guide in relation to the Named Project;
- (d) is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued; and
- (e) has not nor have any of its officers made a Section 114 Report nor is it aware of any circumstances which would give rise to the making of a Section 114 Report;

5.2.3 the rent levels for any:

- (a) LAR Dwelling within the Named Project will be set at or below the Benchmark Rent Levels applicable at the point of letting; and
- (b) LLR Dwelling within the Named Project will be set at or below the LLR Rent Levels applicable at the point of letting.

5.3 The GLA may at its absolute discretion vary the percentages attributed to First Tranche Grant and Second Tranche Grant from time to time save that no such variation will take effect in relation to any Named Project which has been confirmed as such by the GLA in OPS and in relation to which the First Tranche Grant has been paid.

5.4 Under no circumstances shall the GLA be obliged to accept any Named Project if the GLA (acting reasonably) believes that it does not, will not or is unlikely to have sufficient financial resources available to it (taking account inter alia of its commitments under the AHP 2016/21 or other programme commitments) to provide Named Project Grant in relation to the relevant project.

6 **Changes to Named Projects and Indicative Proposals**

6.1 The parties may from time to time agree changes to the Named Project Details or the Indicative Proposals and where such changes are agreed they shall be implemented by the Grant Recipient amending the Named Project Details or the Indicative Proposals in OPS and the electronic confirmation of that amendment by the GLA through OPS and in default of agreement the parties will be bound by the Named Project Details or Indicative Proposals as they existed prior to the changes proposed under this Condition 6.1.

6.2 Until the Grant Recipient achieves the first letting of a LLR Dwelling or grants a Shared Ownership Lease of a SO Dwelling, the Grant Recipient may re-profile such a LLR Dwelling as a SO Dwelling (and vice versa) and any such change must be implemented and confirmed in accordance with Condition 6.1.

7 Time extensions

7.1 Where a Milestone Failure occurs or is in the opinion of the GLA reasonably likely to occur (having regard to any information provided pursuant to any of Conditions 9.1.4, 10.3 or 11) and:

7.1.1 where such failure is directly caused by a Milestone Extension Event the GLA shall, subject always to Condition 7.3, extend the relevant Milestone Date and associated Named Project Completion Date by such period as it (acting reasonably) considers appropriate to take account of the delay caused or likely to be caused by the Milestone Extension Event; or

7.1.2 where such failure is not directly caused by a Milestone Extension Event, the GLA shall notify the Grant Recipient of the Milestone Failure and the parties shall within fifteen (15) Business Days of such notification seek to agree revised Milestone Dates and:

(a) where revised Milestone Dates are agreed within such period the Grant Recipient shall promptly amend the Milestone Dates on OPS in accordance with Condition 6.1; or

(b) where revised Milestone Dates are not agreed within such period the Milestone Failure shall be treated as a Project Default under Condition 18.2.10.

7.2 The GLA shall not be obliged to extend a Milestone Date:

7.2.1 unless a Milestone Extension Event exists; or

7.2.2 in circumstances where such extension would (when taken individually or together with other extensions in relation to the Grant Recipient) in the GLA's reasonable opinion materially and adversely affect the delivery of the Approved Bid or (when taken individually or together with other extensions allowed in relation to the Grant Recipient or other grant recipients of the AHP 2016/21) materially and adversely affect the GLA's projected expenditure profile in relation to any year of the AHP 2016/21 and in particular (but without limitation) such expenditure profile in relation to the last Quarter of the relevant Financial Year.

7.3 The GLA shall not under any circumstances be required or obliged to extend a Named Project Start Date beyond 31 March 2021 but may at its sole discretion elect to do so.

8 Additional Named Projects

8.1 The parties shall be entitled from time to time to agree to add Additional Projects to those comprised within the Original Approved Bid.

8.2 Where Condition 8.1 applies, the Grant Recipient shall submit to the GLA through OPS such details of the proposed Additional Project as the GLA may require. In submitting such details, the Grant Recipient makes the same representations and warranties in relation to the proposed Additional Project as it makes to the GLA pursuant to Condition 5.2.

8.3 The GLA shall consider the Additional Project and if the GLA (in its absolute discretion) is satisfied (a) with the information provided, (b) the level of grant funding requested, (c) with the Grant Recipient's performance in relation to the Approved Bid to date, (d) that no Default Event subsists and (e) with such other matters as the GLA may from time to time determine, the GLA shall be entitled (but not obliged) to accept the Additional Project into the Approved Bid and shall confirm such acceptance to the Grant Recipient through OPS.

- 8.4 With effect from the Additional Project Acceptance Date:
- 8.4.1 the Additional Project shall be deemed to be a Named Project for the purposes of this Agreement and immediately subject to its whole terms and conditions;
 - 8.4.2 the details set out by the Grant Recipient in respect of the Additional Project in OPS and as confirmed by the GLA through OPS shall be deemed to be Named Project Details for the purposes of this Agreement; and
 - 8.4.3 the Grant Recipient must ensure that it complies with all of its obligations under this Agreement as they apply to such new Named Project.
- 8.5 If the GLA agrees to make available any grant funding in relation to Additional Project, the Allocated Total Grant will be deemed to be adjusted by the Total Project Grant agreed by the GLA in OPS in relation to the new Named Project.

9 **Delivery Obligations**

- 9.1 The Grant Recipient must in relation to each Named Project:
- 9.1.1 carry out the acquisition of the Site, procure and diligently pursue the completion of the Works so that:
 - (a) the Named Project is (subject to Condition 7.1) constructed, delivered and/or Rehabilitated (as applicable) in accordance with the Named Project Delivery Timetable;
 - (b) when delivered, the Named Project fully complies with the Named Project Details; and
 - (c) any applicable requirements of Procurement Law and of the Consents are satisfied;
 - 9.1.2 actively market the SO Dwellings and LLR Dwellings with a view to ensuring (as far as practicable) the disposal or letting of such dwellings to individuals as AHP Housing at Practical Completion (or as soon as reasonably possible thereafter);
 - 9.1.3 advertise all SO Dwellings and LLR Dwellings through the portal at www.shareto buy.com/firststeps or such other website address notified by the GLA to the Grant Recipients from time to time; and
 - 9.1.4 promptly notify the GLA in writing of any failure or likely failure to comply with Condition 9.1.1(a).

10 **Operational Obligations**

- 10.1 In delivering the Named Project and in operating and administering the Named Project after Practical Completion, the Grant Recipient must observe and comply with Legislation, the applicable terms of the Affordable Housing Capital Funding Guide, the Recovery Determination and the Consents.
- 10.2 The Grant Recipient shall procure that the GLA's Representative (or any person nominated by him) shall have at all reasonable times and upon giving reasonable notice the right to enter onto the Site and to take such action as he considers appropriate to inspect the progress of the Named Project and to monitor compliance by the Grant Recipient with its obligations under this Agreement.
- 10.3 The Grant Recipient must notify the GLA in writing (save in respect of Conditions 10.3.1 and 10.3.2, where notification is required to be given through OPS):

- 10.3.1 immediately once the Land Acquisition Date (as described in limb (a) of the definition of Land Acquisition Date), Start on Site (as applicable) and Practical Completion has occurred with respect to each Named Project;
 - 10.3.2 immediately, in the event of the receipt by it of any other Public Sector Subsidy or guarantees of it, or the offer of the same, in respect of a Named Project (or any part of it) beyond any amount of Public Sector Subsidy notified to the GLA by the Grant Recipient pursuant to Condition 5.1 or Condition 8.2;
 - 10.3.3 immediately upon becoming aware of any event or circumstance which may have a Material Adverse Effect; and
 - 10.3.4 of any other event or circumstance in relation the Named Project as the GLA may reasonably require from time to time and within such timeframes as the GLA may reasonably require.
- 10.4 Without prejudice to Condition 10.1, the Grant Recipient must in operating and administering the Named Project after Practical Completion:
- 10.4.1 not use the AHP Dwellings for any purpose other than the Agreed Purposes without the GLA's prior written consent;
 - 10.4.2 subject always to compliance with the applicable Benchmark Rent Level, not charge a higher initial rent in relation to a LAR Dwelling than the London Affordable Rent as set out in the relevant Named Project Details and ensure that such rent continues to be set and charged in accordance with the criteria of the London Affordable Rent;
 - 10.4.3 subject always to compliance with the applicable LLR Rent Level, not charge a higher initial rent in relation to a LLR Dwelling than the London Living Rent as set out in the relevant Named Project Details, review the LLR Rent Levels each Financial Year and ensure that the rent for each LLR Dwelling continues to be (i) set and charged in accordance with the criteria of the London Living Rent and (ii) increased by no more than the percentage increase in CPI over the twelve (12) month period which ends three (3) calendar months prior to the relevant rent increase date;
 - 10.4.4 subject to any contrary requirement of Legislation comply with the Rent Guidance in respect of the LAR Dwellings;
 - 10.4.5 comply with the Tenancy Standard in respect of the LAR Dwellings and the LLR Dwellings;
 - 10.4.6 observe and comply with the requirements of the Affordable Housing Capital Funding Guide in relation to:
 - (a) any disposal of an SO Dwelling and ensure that such disposal takes effect only at arm's length and on market terms;
 - (b) the form and content of any Shared Ownership Lease granted by or to be granted by the Grant Recipient in relation to an AHP Dwelling;
 - (c) the purpose, target group, letting, rents, management or disposal of LAR Dwellings and/or LLR Dwellings;
 - (d) the nature of the housing and/or housing product (as described in the Affordable Housing Capital Funding Guide) being funded pursuant to this Agreement;

- 10.4.7 comply at its own cost with the GLA's requirements in relation to Compliance Audit;
 - 10.4.8 in relation to AHP Housing, participate in the CORE system from time to time (including recording any lettings made together with any sales of stock including outright sales and shared ownership sales but excluding any sales of additional equity to the current shared owner);
 - 10.4.9 in relation to each LAR Dwelling use the most appropriate form of tenancy having regard to the terms of the Tenancy Standard and the efficient use of public funds; and
 - 10.4.10 ensure that all LLR Dwellings are made available solely to LLR Tenants as LLR Dwellings and ensure that prior to any change to that purpose or to any disposal they are offered for sale to the then current LLR Tenant.
- 10.5 The Grant Recipient shall ensure that the GLA's requirements from time to time in relation to public relations and publicity for capital projects (including Site signage) as notified to the Grant Recipient from time to time or otherwise as included in the Affordable Housing Capital Funding Guide are observed and implemented in respect of each Named Project.
- 10.6 In discharging its obligations under this Agreement, the Grant Recipient must act at all times with the utmost good faith, with the intent to deliver the Approved Bid and with proper regard to the need for efficiency in the use of public funds.
- 10.7 The Grant Recipient must comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and comply with the GLA's anti-fraud and corruption policies, a copy of which is available here: <https://www.london.gov.uk/about-us/governance-and-spending/good-governance/our-procedures>, in each case as the GLA or the relevant industry body may update from time to time.
- 10.8 The Grant Recipient must on the initial letting of LAR Dwellings offer through the Housing Moves service at least 5% of LAR Dwellings on each Site and at least 10% on each Site comprising 150 dwellings or more (or such other percentages notified in either case by the GLA to the Grant Recipient from time to time following consultation).
- 10.9 Where the Grant Recipient is aware that it is in breach of an obligation under this Condition 10 it must promptly notify the GLA of the fact and take all such steps as are appropriate in the circumstances to remedy the breach.
- 10.10 Notwithstanding any other provision of this Agreement the Grant Recipient shall, unless otherwise agreed by the GLA, remain liable and responsible for the performance of its obligations under this Agreement in relation to each AHP Dwelling.
- 11 Review, Monitoring and Reporting**
- 11.1 The Grant Recipient must promptly advise GLA when any circumstance occurs which may:
- 11.1.1 impact adversely on the Grant Recipient's ability to deliver any Named Project in accordance with the terms of this Agreement; and/or
 - 11.1.2 constitute a Default Event or a breach of Condition 9 or 10; and/or
 - 11.1.3 give rise to the making of a Section 114 Report or the issue of a Section 15 Direction.

- 11.2 The Grant Recipient shall attend a review meeting when required to do so by the GLA acting reasonably and the GLA shall provide the Grant Recipient with written details of the matters to be discussed at the review meeting timeously in advance of such meeting.
- 11.3 The Grant Recipient shall provide the GLA as soon as reasonably practicable with such information as the GLA shall reasonably require to support or facilitate the discussions referred to in this Condition 11 and shall use all reasonable endeavours to ensure the accuracy of any information provided.
- 11.4 The Grant Recipient must keep OPS fully updated and ensure that it accurately reflects the agreed Approved Bid and Named Project Details from time to time.
- 11.5 The Grant Recipient shall ensure that it and any Grant Recipient Affiliate (at its or their cost) co-operates with the GLA during an SGEI Review and it shall if requested promptly provide the GLA with SGEI Information and such other information, evidence and/or explanation as the GLA may reasonably require.
- 11.6 The Grant Recipient shall, by 31 March 2018 and then every two (2) years thereafter until Practical Completion of all the Named Projects delivered or to be delivered under this Agreement, confirm to the GLA (using the Financial Confirmation) that based on the current information (actual and projected) the Agreement Funding together with the Decision Revenue shall not exceed the Aggregate Development Costs.
- 11.7 Within ten (10) Business Days of Practical Completion of a Named Project the Grant Recipient shall submit to the GLA through OPS details of the Actual Development Costs and the projected or actual (as appropriate) Decision Revenue for each AHP Dwelling within that Named Project.
- 11.8 The Grant Recipient will:
- 11.8.1 use all reasonable endeavours to ensure that that any person providing the Financial Confirmation, the Affordable Starts Certificate, the Affordable Starts Final Certificate, the Disposal Notification and/or any other notifications or certificates from the Grant Recipient to the GLA (the **AHP Confirmations**) is a senior officer of the Grant Recipient with access to the information and knowledge needed accurately to give the information required; and
- 11.8.2 notify the GLA if it becomes aware that any AHP Confirmation is erroneous in any material respect.

12 Disposals

The Grant Recipient must provide the GLA with a Disposal Notification prior to a Disposal taking place.

13 Grant Claim Procedures

- 13.1 Subject to a Named Project having reached the relevant First Payment Date, the Grant Recipient may apply to the GLA for the First Tranche Grant payable in respect of that Named Project to be paid to it. The Grant Recipient must make its application through OPS in accordance with the requirements of OPS from time to time and in compliance with the applicable procedures set out in the Affordable Housing Capital Funding Guide.
- 13.2 In submitting an application pursuant to Condition 13.1 the Grant Recipient is deemed to:
- 13.2.1 repeat the representations and warranties set out in Condition 5.2;
- 13.2.2 represent and warrant to the GLA that the First Payment Date has been reached and that such date is no later than that submitted in OPS;

- 13.2.3 represent and warrant to the GLA that all notifications, confirmations and certifications made or to be made by the Grant Recipient pursuant to Condition 11.8 or otherwise in OPS in relation to the Named Project have been, are or will be correct in all material respects;
 - 13.2.4 represent and warrant to the GLA that the Grant Recipient is a Registered Provider and retains its status as an Investment Partner;
 - 13.2.5 represent and warrants to the GLA that no Withholding Event or Default Event has occurred or arisen;
 - 13.2.6 represents and warrants to the GLA that to the best of its knowledge (having made all reasonable and proper enquiries) no material facts or circumstances exist which threaten the satisfaction of the Affordable Starts Condition;
 - 13.2.7 represent and warrant to the GLA that it is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued; and
 - 13.2.8 represent and warrant to the GLA that no Section 114 Report has been made nor is the Grant Recipient aware of any circumstances that would give rise to the making of any such report.
- 13.3 Subject to a Named Project having reached the relevant Final Claim Stage by the Second Payment Date, the Grant Recipient may apply to the GLA for the Second Tranche Grant payable in respect of that Named Project to be paid to it. The Grant Recipient must make its application through OPS and in accordance with the requirements of OPS from time to time and in compliance with the applicable procedures set out in the Affordable Housing Capital Funding Guide.
- 13.4 In submitting an application pursuant to Condition 13.3 the Grant Recipient is deemed to represent and warrant to the GLA that:
- 13.4.1 in the case of a Named Project scheduled to achieve Start on Site in the Financial Year 2017/2018, that Start on Site has been achieved by the Start on Site Date;
 - 13.4.2 in the case of a Named Project other than one described in Condition 13.4.1, the Named Project will be or has been procured, designed, constructed and delivered (as applicable) in accordance with the requirements of this Agreement;
 - 13.4.3 the Named Project has reached Start on Site or Practical Completion (as applicable);
 - 13.4.4 all confirmations and certifications made or to be made by the Grant Recipient in OPS in relation to the Named Project have been are or will be correct in all material respects;
 - 13.4.5 it is a Registered Provider and retains its status as an Investment Partner;
 - 13.4.6 it has obtained all Consents necessary for the lawful development of the Named Project in accordance with the Named Project Details as are then required or to the extent that they are not obtained that the Grant Recipient has taken all necessary steps to obtain them, is waiting only for the Relevant Authority to issue them and is not aware (having made all reasonable enquiries) of any reason why such Consents will not be given or issued;

- 13.4.7 if the Grant Recipient has reached the Final Claim Stage described in limb (b) of the definition of Final Claim Stage, and it possesses a Secure Legal Interest in the Site and for the purposes of this Condition 13.4.7 the parties acknowledge and agree that limb (d) of the definition of Secure Legal Interest shall be disregarded and of no effect;
- 13.4.8 no Withholding Event or Default Event has occurred or arisen; and
- 13.4.9 to the best of its knowledge (having made all reasonable and proper enquiries) no material facts or circumstances exist which threaten the satisfaction of the Affordable Starts Condition.

14 **Payment of Grant**

14.1 Subject to:

- 14.1.1 the GLA (acting reasonably) being satisfied with the Grant Recipient's application for payment including the information warranted pursuant to Conditions 13.2 and 13.4;
- 14.1.2 Conditions 6, 14.3, and 16; and
- 14.1.3 the Condition Precedent having been satisfied,

the GLA shall (resources permitting) pay the First Tranche Grant or the Second Tranche Grant (as applicable) to the Grant Recipient within fifteen (15) Business Days of receipt of a relevant and satisfactory application.

- 14.2 If the GLA is not satisfied with the Grant Recipient's application for payment, it must notify the Grant Recipient in writing as soon as reasonably practicable and in any event within ten (10) Business Days of receipt of the application for payment identifying the reason for its dissatisfaction. The GLA must allow the Grant Recipient a period of up to ten (10) Business Days to address the issues identified in the notification and to resubmit or amend its application accordingly in which case the provisions of Condition 13 and this Condition 14 (as applicable) will be reapplied to the Grant Recipient's resubmitted or amended application for payment.

14.3 The GLA shall not be obliged to pay the Grant Recipient:

- 14.3.1 the First Tranche Grant before the date identified in the Named Project Details as the forecast First Payment Date;
- 14.3.2 the Second Tranche Grant before the Second Payment Date (as confirmed by the GLA through OPS) has occurred;
- 14.3.3 any Tranche if the Named Project has not been accepted by the GLA through OPS;
- 14.3.4 any Tranche in respect of any Named Project which has not reached:
 - (a) the Start on Site Date or the Land Acquisition Date (as applicable); or
 - (b) (where applicable) Practical Completion by the Milestone Date identified in OPS (subject to any extension to such date pursuant to Condition 7.3).

- 14.4 Where the GLA pays Named Project Grant to the Grant Recipient, the Allocated Net Grant shall be reduced by a commensurate amount.

14.5 The payment of Named Project Grant or any part thereof hereunder by the GLA to the Grant Recipient shall be regarded as inclusive of any VAT chargeable thereon.

15 **Records and Accounting**

15.1 The Grant Recipient shall, as and when requested by the GLA, make available in a timely manner to the GLA where required in connection with this Agreement or the Approved Bid a copy of each of:

15.1.1 all data, materials, documents and accounts of any nature created, acquired or brought into existence in any manner whatsoever by or on behalf of the Grant Recipient for the purposes of this Agreement; and

15.1.2 all such data, materials, documents and accounts created, acquired or brought into existence by the Grant Recipient's officers, employees, agents or consultants relating to the Named Projects and which have been supplied to the Grant Recipient for the purposes of this Agreement.

15.2 On the expiry of this Agreement or (if earlier) upon termination thereof, the Grant Recipient shall if requested to do so deliver up to the GLA all the data, materials, documents and accounts referred to in this Condition 15 which it has in its possession, custody or control and shall procure the handing over to the GLA such data, materials, documents and accounts referred to in Condition 15.1.2 or as otherwise directed by the GLA.

15.3 The Grant Recipient must for a period of ten (10) years from the date upon which it receives or uses the Total Project Grant retain all of the data, documents, materials and accounts referred to in this Condition 15 and the Grant Recipient may retain such data, documents, materials and accounts in electronic form only.

15.4 The Grant Recipient acknowledges that The Comptroller and Auditor General shall have rights of access to the information referred to in Condition 15 pursuant to the National Audit Act 1983 and the Government Resources and Accounts Act 2000.

15.5 The Grant Recipient shall co-operate fully and in a timely manner with any reasonable request from time to time of:

(a) any auditor (whether internal or external) of the GLA; and/or

(b) the GLA where the GLA is required under any Legislation to provide any document relating to the Named Projects to any person.

16 **Withholding of grant**

16.1 Notwithstanding any other term of this Agreement the GLA shall not be obliged to make any payment to the Grant Recipient whether by way of First Tranche Grant or Second Tranche Grant or otherwise where:

16.1.1 the Named Project has not been delivered in accordance with the Named Project Details or in accordance with the Named Project Delivery Timetable (in circumstances, where applicable, in which the GLA was unable to agree revised Milestone Dates);

16.1.2 the Grant Recipient is unable to give the confirmations or certifications required by OPS or to make the representations and give the warranties referred to in Condition 13.2 and Condition 13.4 (in any case in whole or in part);

16.1.3 a Prohibited Act has been committed by or on behalf of the Grant Recipient and the Grant Recipient has not satisfied the Waiver Condition in respect of such Prohibited Act;

- 16.1.4 an Insolvency Event has occurred in relation to the Grant Recipient;
- 16.1.5 the Grant Recipient has ceased to operate;
- 16.1.6 the Grant Recipient's status as a Registered Provider or Investment Partner is removed or withdrawn;
- 16.1.7 the Regulator directs the GLA not to give grant to the Grant Recipient or formally recommends to it that it should not do so;
- 16.1.8 where the Grant Recipient is in material breach of Condition 9 or Condition 10 and has not taken steps to remedy it to the GLA's satisfaction (acting reasonably);
- 16.1.9 the Grant Recipient (either by its own actions or omissions or those of its contractors or agents) harms the GLA, the AHP 2016/21 or the Mayor of London's reputation or brings the GLA, the AHP 2016/21 or the Mayor of London into disrepute; or
- 16.1.10 the Grant Recipient has breached its obligations under any of Conditions 11, 17, 18.8 or 19.

17 Repayment of grant

17.1 The parties acknowledge and agree that:

- 17.1.1 the Recovery Determination has effect (mutatis mutandis) in respect of grant paid under this Agreement and that each party has the respective rights and obligations described in such determination;
- 17.1.2 for the purposes of the Recovery Determination the terms of this Agreement represent the conditions attached to the making of Capital Grant; and
- 17.1.3 on the occurrence of a Relevant Event the Grant Recipient must recycle or repay (as applicable) the Capital Grant Recoverable in each case in accordance with the terms of the Recovery Determination.

17.2 Without prejudice to any other term of this Agreement, the GLA reserves the right whether following termination of this Agreement or otherwise (which right the Grant Recipient expressly acknowledges and agrees) at its discretion to recover from the Grant Recipient such sum or such part or aggregation thereof as is determined in accordance with Condition 17.3 (the **Recoverable Amount**) in circumstances where:

- 17.2.1 a Prohibited Act has occurred and the Grant Recipient has not satisfied the Waiver Condition in respect of such Prohibited Act;
- 17.2.2 the relevant Tranche has been paid to the Grant Recipient or Fund Proceeds have been applied to the Named Project on the basis of a misrepresentation made by or on behalf of the Grant Recipient other than in the circumstances specified in Condition 17.2.4;
- 17.2.3 the GLA has made an overpayment in relation to a Named Project or has made a payment in error to the Grant Recipient;
- 17.2.4 the relevant Tranche has been paid to the Grant Recipient or Fund Proceeds have been applied to the Named Project but the GLA becomes aware (whether following the completion of a Compliance Audit or otherwise) that the Grant Recipient has failed to deliver the relevant Named Project in accordance with the agreed Named Project Details;

- 17.2.5 the Grant Recipient has breached its obligations under any of Conditions 9, 10, 11, 18.8 or 19;
 - 17.2.6 a General Termination Event has occurred;
 - 17.2.7 a Project Termination Event has occurred;
 - 17.2.8 an Early Start Project Default has occurred.
- 17.3 In the circumstances set out in:
- 17.3.1 Conditions 17.2.1 or 17.2.6 the Recoverable Amount shall be a sum equivalent to the Total Grant Sum;
 - 17.3.2 Conditions, 17.2.2, 17.2.5, 17.2.7 or 17.2.8 the Recoverable Amount shall be a sum equivalent to the Recoverable Project Grant for any affected Named Project;
 - 17.3.3 Conditions 17.2.3, the Recoverable Amount shall be a sum equal to the amount of the overpayment or the sum paid in error as applicable;
 - 17.3.4 Condition 17.2.4, subject always to Condition 17.4 the Recoverable Amount shall be determined in accordance with the following procedure:
 - (a) the parties (acting in good faith) shall seek to agree within fifteen (15) Business Days of the Non Compliance Notification Date a revised figure for the Total Project Grant figure reflecting the changed nature of the delivered Named Project as against that described in the Named Project Details;
 - (b) where a revised figure for Total Project Grant is agreed, the Recoverable Amount shall be the product of the following calculation:

$$RA = TPG - RTPG$$
 where
 RA is the Recoverable Amount;
 TPG is the Named Project Grant paid pursuant to Condition 14.1 together with the Fund Proceeds applied in respect of the relevant Named Project; and
 RTPG is the revised Total Project Grant figure agreed pursuant to Condition 17.3.4(a);
 - (c) the Grant Recipient shall immediately amend the relevant information on OPS to reflect any agreement reached made pursuant to Condition 17.3.4(a);
 - (d) where the parties are unable to agree a revised Total Project Grant figure in accordance with Condition 17.3.4(a) the GLA shall be entitled to terminate this Agreement in accordance with Condition 18.1 and the Recoverable Amount shall be an amount equal to the Recoverable Project Grant paid pursuant to Condition 14.1 in respect of the relevant Named Project.

Under no circumstances will the GLA be required to make any payment to the Grant Recipient if the application of the calculation in Condition 17.3.4(b) results in RA being a negative figure.

- 17.4 Where the GLA (acting reasonably) considers that the Grant Recipient acted fraudulently or dishonestly in claiming the Named Project Grant or in applying the Fund Proceeds to the relevant Named Project, such claim shall be deemed to be a Prohibited Act and the GLA will not be bound by the terms of Condition 17.3.4.
- 17.5 The Grant Recipient must pay the Recoverable Amount to the GLA within ten (10) Business Days of demand together with Interest such Interest to run from the date upon which the Named Project Grant (or relevant part thereof) overpayment or payment in error was paid to the Grant Recipient and/or the RCGF Funds were applied to the Named Project by the Grant Recipient until the date upon which the GLA receives the repayment required from the Grant Recipient under this Condition 17.
- 17.6 The Grant Recipient acknowledges and agrees that the Disposal or letting of an AHP Dwelling to any person for any purpose other than the relevant Agreed Purpose constitutes a failure to comply with a condition attached to the making of Capital Grant for the purposes of paragraph 8(e) of the Recovery Determination.
- 17.7 The parties acknowledge that the Late Payment of Commercial Debts (Interest) Act 1998 does not apply to this Agreement.
- 17.8 Notwithstanding any other term of this Condition 17, where a payment has been made following an administrative error by the GLA, the Grant Recipient shall not be liable for interest on the amount repayable under Condition 17.5.
- 17.9 If the Agreement Funding gives rise to an SGEI Decision Overpayment or otherwise constitutes Unlawful State Aid then the GLA shall be entitled to recover from the Grant Recipient the amount of such SGEI Decision Overpayment and/or Unlawful State Aid together with such interest as it is required by Legislation to recover and the Grant Recipient must pay such amount(s) within ten (10) Business Days of the GLA requesting repayment.
- 18 **Default Events and Termination**
- 18.1 Each of the following circumstances shall constitute a General Default:
- 18.1.1 the Grant Recipient is subject to a Section 15 Direction which has or will have a Material Adverse Effect;
 - 18.1.2 a Prohibited Act has been committed by or on behalf of the Grant Recipient (in respect of which the Waiver Condition has not been satisfied);
 - 18.1.3 the Grant Recipient ceases operating;
 - 18.1.4 the Grant Recipient's status as a Registered Provider is lost or removed; or
 - 18.1.5 the Grant Recipient's Investment Partner status is lost or removed.
- 18.2 Each of the following circumstances shall constitute a Project Default:
- 18.2.1 failure by the Grant Recipient to comply with its obligations in Condition 11 and/or any information supplied in connection with its obligations in Condition 11, whether in relation to the Open Book Obligations or otherwise, is materially deficient, misleading or inaccurate;
 - 18.2.2 a breach of the Open Book Obligations;
 - 18.2.3 the Grant Recipient is unable to make the representations and give the warranties set out in Schedule 1 (in any case in whole or in part) and there is a resulting Material Adverse Effect;

- 18.2.4 the Regulator directs or recommends that grant is not to be paid to the Grant Recipient;
- 18.2.5 a breach of the Grant Recipient's obligations under Condition 12;
- 18.2.6 any Early Start Project Default;
- 18.2.7 the Grant Recipient (either by its own actions or omissions, or those of its contractors or agents) harms the GLA's, the AHP 2016/21's or the Mayor of London's reputation or brings the GLA, the AHP 2016/21's or the Mayor of London into disrepute;
- 18.2.8 failure by the Grant Recipient to comply with any repayment obligation under this Agreement;
- 18.2.9 failure or inability of the Grant Recipient to comply with the requirements of Conditions 13.1 to 13.4 (inclusive);
- 18.2.10 a breach of Condition 9 or 10;
- 18.2.11 failure by the parties to agree the matter referred to in Condition 17.3.4(d);
- 18.2.12 a breach of Condition 18.8;
- 18.2.13 any other breach of or failure to comply with the Agreement which has a Material Adverse Effect;
- 18.3 The Grant Recipient must notify the GLA immediately in writing on the occurrence of a Default Event.
- 18.4 Without prejudice to Conditions 18.5 or 18.6, in the event of the occurrence of Default Event and for so long as that Default Event subsists (or another Default Event has occurred and is continuing) the GLA shall be entitled to reject the submission of any Named Project on OPS.
- 18.5 On the occurrence of a General Default the GLA shall be entitled forthwith and without any liability to the Grant Recipient terminate this Agreement.
- 18.6 Where a Project Default is:
 - 18.6.1 an occurrence specified in Condition 18.2.5, 18.2.7 or 18.2.11 the GLA shall be entitled forthwith and without any liability to the Grant Recipient but without determining the whole of this Agreement to terminate the Agreement in so far as it relates to the Named Project to which the Project Default relates;
 - 18.6.2 an occurrence specified in Condition 18.2.1, 18.2.2, 18.2.3, 18.2.4, 18.2.8, 18.2.9, 18.2.10 18.2.12 or 18.2.13 the GLA may serve notice on the Grant Recipient requiring the Grant Recipient to remedy the breach and if within a period of thirty (30) Business Days following service of such notice:
 - (a) the breach has not been remedied or is not capable of remedy;
 - (b) the Grant Recipient has not given an undertaking to remedy the breach on terms satisfactory to the GLA where it has been permitted to do so by the GLA; or
 - (c) if it becomes apparent that the Project Default is incapable of remedy either within such period or at all,

the GLA shall be entitled on giving not less than ten (10) Business Days' notice and without any liability to the Grant Recipient but without determining the whole of this Agreement to terminate the Agreement insofar as it relates to the Named Project to which the Project Default relates;

- 18.6.3 an occurrence specified in Condition 18.2.6 the GLA shall be entitled to recover from the Grant Recipient the Recoverable Amount specified in Condition 17.3.2 and this Agreement shall terminate insofar as it relates to the Early Start Project unless the Grant Recipient and the GLA agree changes to the Named Project Details in accordance with Condition 6 (including a revised Named Project Delivery Timetable) whereupon the Early Start Project shall be deemed to be a Named Project and no longer an Early Start Project.
- 18.7 The Grant Recipient acknowledges that in order to benefit from the AP Grant Rates in relation to the AHP Dwellings to be funded under this Agreement, the Affordable Starts Condition must have been satisfied by 31 March 2021.
- 18.8 The Grant Recipient must provide GLA with a completed:
- 18.8.1 Affordable Starts Certificate by 31 March of each Financial Year until and including 31 March 2020; and
- 18.8.2 Affordable Starts Final Certificate by 30 June 2021 together with supporting evidence as to whether the Affordable Starts Condition has been satisfied.
- 18.9 If it becomes apparent to the GLA (acting reasonably) on the basis of the information provided by the Grant Recipient pursuant to Condition 18.8 or otherwise that the Affordable Starts Condition will not be satisfied by 31 March 2021 (a **Prospective Starts Failure**) or the Affordable Starts Condition has not been satisfied by 31 March 2021, the GLA shall be entitled (in its absolute discretion) to elect in writing between:
- 18.9.1 serving a written notice on the Grant Recipient and the effect of such notice shall be:
- (a) in the case of a Prospective Starts Failure, to relieve permanently the GLA from all and any obligations to fund any Named Project which has as at the date of the notice yet to achieve Start on Site and in relation to which no Tranche has been paid;
 - (b) to require the Grant Recipient within such period as may be specified in the notice to submit to the GLA in writing and together with supporting calculations a Recalculated Grant Sum in relation to each Named Project in respect of which the Grant Recipient has received or used any Total Project Grant; and
 - (c) unless such figures are disputed by the GLA within ten (10) Business Days of the receipt of the submitted information the:
 - i Grant Recipient shall in relation to each Fully-funded Project pay the Overpaid Sum to the GLA within ten (10) Business Days of receipt of the GLA's written demand for the same;
 - ii Grant Recipient shall in relation to each Early Start Project in relation to which the First Tranche Grant has been paid and/or Fund Proceeds have been used but Start on Site not achieved, repay a sum equivalent to the First Tranche Grant and any RCGF Funds applied to the Early Start Project to the GLA within ten (10) Business Days of receipt of the GLA's written demand for the same;

- iii parties shall in relation to each Continuing Named Project in respect of which First Tranche Grant has been paid and/or Fund Proceeds used, deduct the amount of such First Tranche Grant and any RCGF Funds applied to the Continuing Named Project from the Recalculated Grant Sum and where the result of that deduction is a positive figure that figure shall notwithstanding any provision to the contrary be deemed to be the amount payable to the Grant Recipient as Second Tranche Grant in relation to the relevant Continuing Named Project and OPS shall be updated accordingly but where the result of that deduction is a negative figure the amount payable to the Grant Recipient as Second Tranche Grant shall be deemed to be zero, OPS shall be updated accordingly and the Grant Recipient must pay the GLA the Differential Sum within ten (10) Business Days of receipt of the GLA's written demand for the same;
- iv the parties shall in relation to any Continuing Named Project in relation to which no Tranche has been paid nor any Fund Proceeds used treat the Recalculated Grant Sum as the Named Project Grant for that Continuing Named Project and OPS shall be updated accordingly;

18.9.2 offering the Grant Recipient the opportunity to enter into an alternative grant agreement pursuant to:

- (a) which a grant reconciliation exercise shall be undertaken based on the Developer-led Principles; and
- (b) a repayment regime shall be agreed if the Total Grant Sum exceeds the grant which would be payable under the alternative agreement following application of the Developer-led Principles.

18.10 If:

18.10.1 the Grant Recipient declines the opportunity offered under Condition 18.9.2 within ten (10) Business Days of receipt of the GLA's offer; or

18.10.2 the parties fail to agree the terms of the alternative agreement within thirty (30) Business Days of receipt of GLA's offer,

GLA shall be entitled on not less than two (2) weeks' written notice to terminate this Agreement and the Grant Recipient must repay the Total Grant Sum within ten (10) Business Days of receipt of the GLA's written demand for the same.

19 **Open Book Obligations**

19.1 The Grant Recipient shall on an Open Book Basis:

19.1.1 at all times maintain a full record of particulars of all the income (including Public Sector Subsidy) received and Development Costs incurred by the Grant Recipient in respect each Named Project;

19.1.2 at all times when reasonably required to do so by the GLA, provide a summary of any of the income and Development Costs referred to in Condition 19.1.1 as the GLA may reasonably require to enable it to monitor the performance by the Grant Recipient of its obligations under this Agreement; and

19.1.3 at all times provide such access or facilities as the GLA may reasonably require for its representatives to visit any place where the records are held and examine the records maintained under this Condition 19.

- 19.2 Compliance with the above shall require the Grant Recipient to keep (and where appropriate to procure that any Subcontractor shall keep) separate books of account (from those relating to any business, activity or operation carried on by the Grant Recipient or Subcontractor and which do not directly relate to any Named Project) in accordance with good accountancy practice with respect to all Named Projects showing in detail:
- 19.2.1 income (including Public Sector Subsidy and receipts);
 - 19.2.2 administrative overheads where directly attributed or where apportioned on a pro rata basis;
 - 19.2.3 payments made to Subcontractors;
 - 19.2.4 capital and revenue expenditure;
 - 19.2.5 VAT incurred on all items of expenditure where the Grant Recipient has received grant under this Agreement in respect of such VAT, including the rate of such VAT and full details of the recovery (or not) by the Grant Recipient of such VAT as input tax from HM Revenue & Customs or other competent authority; and
 - 19.2.6 such other items as the GLA may reasonably require to conduct (itself or through a third party) cost audits for verification of income, cost expenditure or estimated expenditure, for the purpose of any of the provisions of this Agreement,

and the Grant Recipient shall have (and procure that to the extent expressly agreed the Subcontractors shall have) the books of account evidencing the items listed in this Condition available for inspection by the GLA (and any person appointed pursuant to the dispute resolution provisions at Condition 26 to determine a dispute or otherwise authorised by the GLA) upon reasonable notice, and shall submit a report of these to the GLA as and when requested.

20 **Information and confidentiality**

- 20.1 Each party recognises that under this Agreement it may receive Confidential Information belonging to the other.
- 20.2 Each party agrees to treat all Confidential Information belonging to the other as confidential and not to disclose such Confidential Information or any other confidential information relating to the GLA arising or coming to its attention during the currency of this Agreement to any third party without the prior written consent of the other party and agrees not to use such Confidential Information for any purpose other than that for which it is supplied under this Agreement.
- 20.3 The obligations of confidence referred to in this Condition 20 shall not apply to any Confidential Information which:
- 20.3.1 is in, or which comes into, the public domain otherwise than by reason of a breach of this Agreement or of any other duty of confidentiality relating to that information;
 - 20.3.2 is obtained from a third party without that third party being under an obligation (express or implied) to keep the information confidential;
 - 20.3.3 is lawfully in the possession of the other party before the date of this Agreement and in respect of which that party is not under an existing obligation of confidentiality; or

- 20.3.4 is independently developed without access to the Confidential Information of the other party.
- 20.4 Each party will be permitted to disclose Confidential Information to the extent that it is required to do so:
- 20.4.1 to enable the disclosing party to perform its obligations under this Agreement;
or
- 20.4.2 by any applicable Law or by a court, arbitral or administrative tribunal in the course of proceedings before it including without limitation any requirement for disclosure under FOIA, EIR or the Code of Practice on Access to Government Information and the parties acknowledge that any lists or schedules provided by either party outlining Confidential Information are of indicative value only and the either party may nevertheless be obliged to disclose such Confidential Information; or
- 20.4.3 by any Regulatory Body (including any investment exchange and the Regulator) acting in the course of proceedings before it or acting in the course of its duties;
or
- 20.4.4 in order to give proper instructions to any professional adviser of that party who also has an obligation to keep any such Confidential Information confidential.
- 20.5 Each party shall ensure that all Confidential Information obtained by it under or in connection with this Agreement:
- 20.5.1 is given only to such of its employees, professional advisors or consultants engaged to advise it in connection with this Agreement as is strictly necessary for the performance of this Agreement and only to the extent necessary for the performance of this Agreement;
- 20.5.2 is treated as confidential and not disclosed (without the other party's prior written approval) or used by any such staff or professional advisors or consultants otherwise than for the purposes of this Agreement;
- 20.5.3 where it is considered necessary in the opinion of the other party, the relevant party shall ensure that such staff, professional advisors or consultants sign a confidentiality undertaking before commencing work in connection with this Agreement.
- 20.6 Nothing in this Condition 20 shall prevent the either party from:
- 20.6.1 disclosing any Confidential Information for the purpose of:
- (a) the examination and certification of its accounts; or
- (b) any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the GLA has used its resources; or
- 20.6.2 disclosing any Confidential Information obtained from the other party:
- (a) to any other department, office or agency of the Crown or any member of the GLA Group;
- (b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

- (c) on a confidential basis to a proposed successor body in connection with any assignment, novation or disposal of any of its rights obligations or liabilities under this Agreement; or
- (d) to any person engaged in providing any services to the GLA for any purpose relating to or ancillary to this Agreement or any person conducting an Office of Government Commerce gateway review,

provided that in disclosing information under any of Conditions 20.6.2(a) to Condition 20.6.2(d) inclusive the GLA discloses only the information which is necessary for the purpose concerned and requires that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

- 20.7 Nothing in this Condition 20 shall prevent either party from using any techniques, ideas or know-how gained during the performance of the Agreement in the course of its normal business, to the extent that this does not result in a disclosure of Confidential Information or an infringement of Intellectual Property Rights.
- 20.8 The parties to this Agreement are FOIA Authorities and:
 - 20.8.1 are subject to legal duties which may require the release of Information under FOIA and/or EIR; and ;
 - 20.8.2 FOIA Authorities may be under an obligation to provide Information subject to a Request for Information.
- 20.9 The FOIA Authority in receipt of or to receive the RFI (Relevant FOIA Authority) shall be responsible for determining in its absolute discretion whether:
 - 20.9.1 any Information is Exempted Information or remains Exempted Information; and/or
 - 20.9.2 any Information is to be disclosed in response to a Request for Information,

and in no event shall any party, other than the Relevant FOIA Authority, respond directly to an RFI except to confirm receipt of the RFI and that the RFI has been passed to the Relevant FOIA Authority unless otherwise expressly authorised to do so by the Relevant FOIA Authority.
- 20.10 Subject to Condition 20.11 below, each party acknowledges that the Relevant FOIA Authority may be obliged under FOIA or EIR to disclose Information:
 - 20.10.1 without consulting the other; or
 - 20.10.2 following consultation with the other party and having taken (or not taken, as the case may be) its views into account.
- 20.11 Without in any way limiting Condition 20.9 or Condition 20.10, in the event that the Relevant FOIA Authority receives an RFI, the Relevant FOIA Authority will, where appropriate, as soon as reasonably practicable notify the other party.
- 20.12 Each party will assist and co-operate with the Relevant FOIA Authority as requested by the Relevant FOIA Authority to enable the Relevant FOIA Authority to comply with its disclosure requirements under FOIA and EIR within the prescribed periods for compliance and in particular without limitation will (and shall procure that its agents contractors and sub-contractors will), at their own cost:

- 20.12.1 transfer any RFI received by the Relevant FOIA Authority to the GLA as soon as practicable after receipt and in any event within two (2) Business Days of receiving a RFI;
- 20.12.2 provide all such assistance as may be required from time to time by the Relevant FOIA Authority and supply such data or information as may be requested by the GLA;
- 20.12.3 provide the Relevant FOIA Authority with any data or information in its possession or power in the form that the Relevant FOIA Authority requires within five (5) Business Days (or such other period as the Relevant FOIA Authority may specify) of the GLA requesting that Information;
- 20.12.4 permit the Relevant FOIA Authority to inspect such as requested from time to time.
- 20.13 Nothing in this Agreement will prevent the Relevant FOIA Authority from complying with any valid order, decision, enforcement or practice recommendation notice issued to it by the Information Commissioner under FOIA and/or EIR in relation to any Exempted Information.
- 20.14 The obligations in this Condition 20 will survive the expiry or termination of this Agreement for a period of two (2) years or, in respect of any particular item of Confidential Information, until such earlier time as that item of Confidential Information reaches the public domain otherwise than by reason of a breach of this Agreement or of any other duty of confidentiality relating to that information.
- 20.15 The Grant Recipient acknowledges and agrees that the GLA may in its absolute discretion redact all or part of the Agreement Information prior to its publication. In so doing and in its absolute discretion the GLA may take account of any EIR Exemptions and FOIA Exemptions. The GLA may in its absolute discretion consult with the Grant Recipient regarding any redactions to the Agreement Information to be published pursuant to this Condition 20. The GLA shall make the final decision regarding publication and/or redaction of the Agreement Information.
- 21 **Data Protection**
- 21.1 The parties shall ensure that at all times they comply with their obligations under this Agreement in manner so as to comply with the DPA and all relevant regulations relating to data protection, including the General Data Protection Regulation ((EU) 2016/679).
- 21.2 The parties warrant and represent that they have obtained all necessary registrations, notifications and consents required by the DPA to Process Personal Data for the purposes of performing their obligations under this Agreement.
- 21.3 The Grant Recipient undertakes that to the extent that the Grant Recipient and/or any of its employees receives, has access to and/or is required to Process Personal Data on behalf of the GLA (the **GLA's Personal Data**) for the purpose of performing its obligations under this Agreement it will at all times act as if it were a Data Controller and comply with the provisions of the DPA for the time being in force.
- 21.4 The Grant Recipient shall at all material times have in place and maintain appropriate technical and organisational security measures designed to safeguard against accidental or unlawful destruction, accidental loss, alteration, unauthorised or unlawful disclosure of or access to the GLA's Personal Data and any person it authorises to have access to any the GLA's Personal Data will respect and maintain the confidentiality and security of the GLA's Personal Data.

- 21.5 The Grant Recipient shall allow the GLA to audit the Grant Recipient's compliance with the requirements of this Condition 21 on reasonable notice and/or, at the GLA's request, provide the GLA with evidence of the Grant Recipient's compliance with the obligations within this Condition 21.
- 21.6 The Grant Recipient undertakes not to disclose or transfer any of the GLA's Personal Data to any third party without the prior written consent of the GLA save that without prejudice to Condition 21.3 the Grant Recipient shall be entitled to disclose the GLA's Personal Data to employees to whom such disclosure is reasonably necessary in order for the Grant Recipient to perform its obligations under this Agreement, or to the extent required under a court order.
- 21.7 The Grant Recipient agrees to use all reasonable efforts to assist the GLA to comply with such obligations as are imposed on the GLA by the DPA.
- 21.8 The Grant Recipient shall indemnify the GLA against all claims and proceedings and all liability, losses, costs and expenses incurred in connection therewith by the GLA as a result of the Grant Recipient's destruction, damage or loss of the GLA's Personal Data processed by the Grant Recipient, its employees, agents, or any breach of or other failure to comply with the obligations in the DPA and/or this Condition 21 by the Grant Recipient, its employees, agents or sub-contractors.
- 21.9 The Grant Recipient undertakes to include obligations no less onerous than those set out in this Condition 21, in all contractual arrangements with agents engaged by the Grant Recipient in performing its obligations under this Agreement to the GLA.

22 Intellectual Property

- 22.1 Subject to Condition 22.5 the Grant Recipient shall, to the extent that it is able to do so without incurring material cost, grant to the GLA a perpetual, transferable, non-exclusive, royalty-free licence (carrying the right to grant sub-licences) to copy and use (from computer disk or otherwise) all and any Intellectual Property Rights in any, drawings, reports, specifications, calculations and other documents provided by the Grant Recipient or which are or become owned by the Grant Recipient and which relate to the Named Projects, for any purpose relating to this Agreement.
- 22.2 To the extent that any of the data, materials and documents referred to in Condition 22.1 are generated by or maintained on a computer or in any other machine readable format, the Grant Recipient shall if requested by the GLA use its reasonable endeavours (without having to incur material cost) procure for the benefit of the GLA for the duration of this Agreement at the cost of the Grant Recipient the grant of a licence or sub-licence and supply any relevant software and/or database to enable the GLA making such request to access and otherwise use such data for the purposes referred to in Condition 22.1.
- 22.3 Neither party shall infringe any third party's Intellectual Property Rights in connection with this Agreement.
- 22.4 The Grant Recipient shall fully indemnify the GLA within five (5) Business Days of demand under this Condition 22.4 against any action, claim, demand, proceeding, cost, charge or expense arising from or incurred by it by reason of any infringement or alleged infringement of any Intellectual Property Rights of any third party by the activities described in this Condition 22, any breach by the Grant Recipient of this Condition 22 and against all costs and damages of any kind which the GLA may incur in connection with any actual or threatened proceedings before any court or adjudication body.
- 22.5 The Grant Recipient shall only be entitled to revoke the licence granted to the GLA under Condition 22.1 in the following circumstances and upon the following terms:

- 22.5.1 on the termination of the whole of this Agreement in circumstances where no Allocated Total Grant has been paid to or utilised by the Grant Recipient; or
- 22.5.2 on the termination of this Agreement (in whole or in part) in circumstances where some Allocated Total Grant has been paid to or utilised by the Grant Recipient **provided that** nothing in this Condition 22.5.2 shall entitle the Grant Recipient to revoke such licence insofar as it relates to:
- (a) Named Projects in respect of which Named Project Grant has been paid or in respect of which a valid entitlement to claim Named Project Grant has arisen or Fund Proceeds have been used; or
 - (b) Continuing Named Projects.

23 **Health and Safety and Equality and Diversity**

- 23.1 The Grant Recipient will comply in all material respects with all relevant Legislation including but not limited to legislation relating to health and safety, welfare at work, equality and diversity, modern slavery and other relevant employment matters and will use reasonable endeavours to procure that all Grant Recipient Parties engaged in the delivery of the Approved Bid do likewise.
- 23.2 The Grant Recipient confirms that it has, and is in full compliance with, a policy covering equal opportunities designed to ensure that discrimination prohibited by the Equality Act 2010 or which is made on any other unjustifiable basis is avoided at all times and will provide a copy of that policy and evidence of the actual implementation of that policy upon request by the GLA.
- 23.3 The Grant Recipient shall have due regard to the public sector equality duty under Part 11 of the Equality Act 2010 insofar as its activities under this Agreement could reasonably be deemed to be functions of a public nature for the purposes of that Part.
- 23.4 To the extent that the GLA is a 'client' for the purposes of the CDM Regulations:
- 23.4.1 where the Grant Recipient is engaging consultants and a contractor or contractors as Subcontractors to deliver the Named Project the Grant Recipient elects to be the only client in relation to such Named Project; or
 - 23.4.2 where the Grant Recipient is contracting with a developer as a Subcontractor to deliver a Named Project the Grant Recipient shall procure that such developer shall elect to be the only client in relation to the Named Project on or before the date that such project becomes a Named Project,
- and the GLA hereby agrees to such election.
- 23.5 The Grant Recipient shall not seek to withdraw, terminate or in any manner derogate from such election pursuant to Condition 23.4.1 or (if appropriate) shall procure that any developer/employer shall not withdraw, terminate or in any manner derogate from any election pursuant to Condition 23.4.2 without the GLA's prior written consent, which the GLA may in its absolute discretion withhold.
- 23.6 The Grant Recipient shall at all times comply with all obligations, requirements and duties arising under the HS Act, the regulations under the HS Act, RIDDOR and the CDM Regulations in connection with the Works.
- 23.7 The Grant Recipient will procure that all its Subcontractors and Professional Team comply at all times with the HS Act, the regulations under the HS Act, RIDDOR and the CDM Regulations.

24 **Construction Industry Scheme**

24.1 For such time as:

24.1.1 the Grant Recipient continues to be a local authority; and

24.1.2 the provisions of paragraph 13040 of Chapter 1 of HM Revenue & Customs' Construction Industry Scheme Reform Manual remain in effect as published at July 2009,

the Grant Recipient warrants to the GLA that since it is a local authority, it is deemed by concession to be certificated as a sub-contractor entitled to receive relevant payments gross under the Construction Industry Scheme set out in Chapter 3 of Part 3 of the Finance Act 2004 and associated regulations (the **CIS**) provided always that if either Condition 24.1.1 or Condition 24.1.2 ceases to hold true at a time when monies remain outstanding from the GLA to the Grant Recipient pursuant to this Agreement then the Grant Recipient shall promptly notify the GLA of such fact and the parties shall take such steps as may reasonably be required to ensure that the CIS is if necessary applied to all such outstanding payments.

25 **Assignment and sub-contracting**

25.1 The GLA will be entitled to transfer or assign all or part of this Agreement.

25.2 The Grant Recipient will not be entitled to transfer or assign all or part of this Agreement.

26 **Dispute resolution**

26.1 All disputes and differences arising out of or in connection with this Agreement (a **Dispute**) shall be resolved pursuant to the terms of this Condition 26.

26.1.1 In the event that the Grant Recipient or the GLA consider that a Dispute exists, such party shall serve a notice upon the other party (a **Notice of Dispute**) giving brief details of the Dispute and in the first instance the parties shall use their reasonable endeavours to resolve such Dispute amicably and in good faith and in accordance with this Condition 26.

26.1.2 Representatives of the parties shall meet within five (5) Business Days (or such other longer period not exceeding twenty (20) Business Days as the parties may agree) of receipt of a Notice of Dispute.

26.1.3 Where either no representatives of both parties are available to meet within the period set out in Condition 26.1.2 or the representatives fail to agree a unanimous resolution of the Dispute at such meeting, the Dispute shall be referred to the chief executives (or nominated deputies) of the Grant Recipient and the GLA (the **Senior Executives**).

26.1.4 The Senior Executives shall meet within ten (10) Business Days (or such other longer period not exceeding twenty (20) Business Days as the parties may agree) of such referral to attempt to resolve the Dispute. Any unanimous resolution of the Senior Executives shall be recorded in writing and signed by them and shall be final and binding unless the parties agree otherwise.

26.1.5 If the Dispute remains unresolved after ten (10) Business Days following referral to the Senior Executives, such Dispute must be dealt with in accordance with Condition 26.2.

26.2 In the circumstances contemplated in Condition 26.1.5, the parties will attempt to settle the Dispute by mediation in accordance with the CEDR Model Mediation Procedure. Unless

otherwise agreed by the parties, the mediator will be nominated by CEDR. The parties agree that:

- 26.2.1 to initiate the mediation a party must give notice in writing (**ADR Notice**) to the other party to the Dispute requesting a mediation. A copy of the request should be sent to CEDR;
- 26.2.2 the mediation shall start not later than twenty eight (28) days after the date of the ADR Notice; and
- 26.2.3 except where the right to issue proceedings would be prejudiced by a delay, no party may commence any court proceedings in relation to any dispute arising out of this Agreement until it has attempted to settle the dispute by mediation and either the mediation has terminated or the other party has failed to participate in the mediation.

27 **Further assurance**

27.1 At any time upon the written request of the GLA the Grant Recipient:

- 27.1.1 shall promptly execute and deliver or procure the execution and delivery of any and all such further instruments and documents as may be necessary for the purpose of obtaining for the GLA the full benefit of this Agreement and of the rights and powers herein granted; and
- 27.1.2 shall perform and use its reasonable endeavours to procure that any third party performs such acts as may be reasonably required for the purposes of giving full effect to this Agreement.

28 **No fetter on statutory functions**

Notwithstanding anything apparently or impliedly to the contrary in this Agreement or any of the deeds and documents referred to herein, in carrying out its statutory duties or functions the discretion of the GLA shall not be fettered, constrained or otherwise unlawfully affected by the terms of this Agreement or any such other deed or document.

29 **No agency**

29.1 Nothing in this Agreement or otherwise shall be held, implied or deemed to constitute a partnership, joint venture or other association or, save as expressly provided, the relationship of principal and agent between the parties.

29.2 The Grant Recipient shall at all times be independent and nothing in this Agreement shall be construed as creating the relationship of employer and employee between the GLA and the Grant Recipient. Neither the Grant Recipient nor any of its employees shall at any time hold itself or themselves out to be an employee of the GLA.

30 **Exclusion of third party rights**

Except as otherwise expressly provided no person who is not a party to this Agreement shall be entitled to enforce any terms of this Agreement solely by virtue of the Contracts (Rights of Third Parties) Act 1999.

31 **Entire Agreement**

31.1 This Agreement and the conditions herein contained together with the Schedules constitute the entire agreement between the parties and may only be varied or modified in writing by deed.

31.2 The Grant Recipient hereby acknowledges that save as set out or referred to in the Agreement there are and have been no representations made by or on behalf of the GLA of whatsoever nature on the faith of which the Grant Recipient is entering into this Agreement.

32 **Severability**

If any term, condition or provision contained in this Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall to that extent be omitted from this Agreement and shall not affect the validity, legality or enforceability of the remaining parts of this Agreement.

33 **Cumulative rights and enforcement**

33.1 Any rights and remedies provided for in this Agreement whether in favour of the GLA or the Grant Recipient are cumulative and in addition to any further rights or remedies which may otherwise be available to those parties.

33.2 The parties acknowledge that money damages alone may not properly compensate the GLA for any breach of the Grant Recipient's obligations hereunder and the parties hereby expressly agree that in the event of the breach or threatened breach of any such obligation in addition to any other rights or remedies the GLA may have in Law, in equity or otherwise the GLA shall be entitled to seek injunctive or other equitable relief compelling specific performance of and other compliance with the terms of such obligations.

34 **Waiver**

34.1 Neither the failure of any party at any one time to enforce any provision of this Agreement nor the payments by the GLA of Named Project Grant under Condition 14.1 in any way affects the relevant party's right thereafter to require complete performance by the other party, nor may the waiver of any breach or any provision be taken or held to be a waiver of any subsequent breach of any provision or be a waiver of the provision itself.

34.2 Where in this Agreement any obligation of a party is to be performed within a specified time that obligation shall be deemed to continue after that time if the party fails to comply with that obligation within the time.

34.3 Any waiver or release of any right or remedy of either party must be specifically granted in writing signed by that party and shall:

34.3.1 be confined to the specific circumstances in which it is given;

34.3.2 not affect any other enforcement of the same or any other right; and

34.3.3 (unless it is expressed to be irrevocable) be revocable at any time in writing.

35 **VAT**

35.1 Except where expressly stated to the contrary in this Agreement:

35.1.1 the amount of any payment or the value of any supply is expressed exclusive of VAT properly chargeable on it;

35.1.2 where any payment or taxable supply fails to be made pursuant to this Agreement VAT properly chargeable on it will be paid in addition by the recipient of the supply for which payment (if any) is consideration on the provision of a valid VAT invoice for it.

35.2 The payment of Named Project Grant or any part thereof hereunder by the GLA to the Grant Recipient shall be regarded as inclusive of any VAT chargeable thereon.

36 **Survival of this Agreement**

36.1 Insofar as any of the rights and powers of the GLA provided for in this Agreement shall or may be exercised or exercisable after the termination or expiry of this Agreement the provisions of this Agreement conferring such rights and powers shall survive and remain in full force and effect notwithstanding such termination or expiry.

36.2 Insofar as any of the obligations of the Grant Recipient provided for in this Agreement remain to be discharged after the termination or expiry of this Agreement the provisions of this Agreement shall survive and remain in full force and effect notwithstanding such termination or expiry.

36.3 Without limitation the provisions of any of Conditions 3, 6, 9 to 13 (inclusive), 15 to 22 (inclusive), 26, 33, 34, 39, 36 and Schedule 3, such other provisions of this Agreement as are necessary to give effect to such Conditions are expressly agreed by the parties to survive the termination or expiry of this Agreement.

37 **London Living Wage**

37.1 Without prejudice to any other provision of this Agreement, the Grant Recipient shall (and will ensure that their consultants, contractors and sub-contractors shall):

37.1.1 use all reasonable endeavours to ensure that no employees engaged in the provision of the Works is paid an hourly wage (or equivalent of an hourly wage) less than the London Living Wage;

37.1.2 use all reasonable endeavours to ensure that no employees engaged in the provision of the Works is paid less than the amount to which they are entitled in their respective contracts of employment; and

37.1.3 provide to the GLA such information concerning the London Living Wage as the GLA or its nominees may reasonably require from time to time.

38 **Execution**

This Agreement may be executed in any number of counterparts and each counterpart will when executed be an original of this Agreement and all counterparts together will constitute one instrument.

39 **Governing law**

This Agreement shall be governed by and construed in accordance with the laws of England and Wales and subject to the provisions of Condition 26 the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

Schedule 1

Acknowledgements, Representations and Warranties

Part 1

Agreed Principles

- 1 The provisions of this Agreement represent the conditions upon which the GLA:
 - 1.1 makes the Allocated Net Grant available to the Grant Recipient; and
 - 1.2 permits the Grant Recipient to use the Allocated Fund Proceeds
- 2 The GLA has made the Allocated Net Grant available and permitted the Grant Recipient to use the Allocated Fund Proceeds on the express understanding that:
 - 2.1 it is applied solely for the purposes of funding the Development Costs in respect of AHP Dwellings which are to be let or sold to individuals as AHP Housing; and
 - 2.2 in order to benefit from the AP Grant Rates in relation to the AHP Dwellings to be funded under this Agreement, the Affordable Starts Condition must be satisfied by 31 March 2021.
- 3 All Fund Proceeds identified in the Named Project Details must be applied solely for the purposes of funding the Development Costs in respect of the relevant Named Project and used in accordance with the applicable requirements of the Affordable Housing Capital Funding Guide.
- 4 The Public Sector Subsidy in respect of a Named Project may not exceed an amount equal to the Actual Development Costs incurred by the Grant Recipient in respect of the delivery of that Named Project nor may the Public Sector Subsidy in respect of the Approved Bid exceed an amount equal to the aggregated Actual Development Costs in respect of the delivery of the Approved Bid.
- 5 All Named Project Grant paid under this Agreement is:
 - 5.1 social housing assistance as defined in Section 32(13) of the HRA 2008; and
 - 5.2 subject to the provisions of Sections 30, 34 and 333ZE of the Greater London Authority Act 1999 and any determinations made under such provisions, and the provisions of Condition 17 represent the events and principles determined by the GLA for the purposes of Sections 31-34 of the HRA 2008.
- 6 All Fund Proceeds used for the purposes of funding (in whole or in part) the Development Costs constitute social housing assistance for the purposes of Section 32 of the HRA 2008 and are subject to the terms of the Recovery Determination.
- 7 Any failure by the Grant Recipient to comply with the terms of this Agreement or the occurrence of a Default Event or Withholding Event constitutes a failure to comply with a condition attached to the making of Capital Grant for the purposes of paragraph 8(e) of the Recovery Determination.
- 8 The terms of the Affordable Housing Capital Funding Guide are incorporated within this Agreement (mutatis mutandis).

- 9 The Grant Recipient must hold Registered Provider status at the point at which any LAR Dwelling, LLR Dwelling or Nil Grant Unit provided pursuant to this Agreement is made available for rent.
- 10 Without prejudice to any other term of this Agreement, the parties expressly acknowledge that:
- 10.1 a London Affordable Rent pursuant to this Agreement constitutes an "Affordable Rent" for the purposes of the Rent Guidance;
- 10.2 any LLR Dwellings delivered pursuant to this Agreement constitute "intermediate rent accommodation" for the purposes of the Social Housing Rents (Exceptions and Miscellaneous Provisions) Regulations 2016.
- 11 The aggregate of the First Tranche Grant and the Second Tranche Grant in each Named Project will represent one hundred per centum (100%) of the Named Project Grant.

DRAFT

Part 2

Representations and Warranties

1 Powers, vires and consents

- 1.1 It has the power to enter into and to exercise its rights and perform its obligations under this Agreement and has taken all necessary action to authorise the execution by it of and the performance by it of its obligations under this Agreement.
- 1.2 It is not subject and will not become subject to any other obligation, compliance with which will or is likely to, have a Material Adverse Effect in relation to the Approved Bid or any Named Project or Indicative Proposals.
- 1.3 Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with its terms.
- 1.4 The execution, delivery and performance by it of this Agreement do not:
- 1.4.1 insofar as it is aware contravene any applicable law or directive or any judgement, order or decree of any court having jurisdiction over it;
 - 1.4.2 conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which it is a party or any licence or other authorisation to which it is subject or by which it or any of its property is bound; or
 - 1.4.3 contravene or conflict with standing orders or other constitutional documents binding upon it (as applicable) from time to time.
- 1.5 All consents, required by it in connection with the execution, delivery, issue, validity or performance or enforceability of this Agreement have been obtained and have not been withdrawn.
- 1.6 So far as it is aware, it is not in breach of or in default under any agreement to which it is a party or which is binding on it or any of its assets which has or could have a Material Adverse Effect.
- 1.7 To the best of its knowledge, no claim is presently being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of its knowledge, pending or threatened against it or any of its assets which will or might have a Material Adverse Effect in relation to the Approved Bid or any Named Project.
- 1.8 It has not committed any Prohibited Act.

2 Deliverability

- 2.1 It has obtained or will by Practical Completion of a Named Project have obtained all Consents and to the extent that such Consents have been obtained they have not been withdrawn.
- 2.2 It is not aware, after due enquiry, of anything which materially threatens the success or successful completion of the intention or purpose of this Agreement.
- 2.3 No Default Event has occurred and is continuing.
- 2.4 All information supplied by or on behalf of it to the GLA or its agents or employees in connection with the Grant Recipient's initial application for grant funding or in the course of the subsequent discussions was at the time of submission and as far as it was aware (or

ought to have been aware) having made all reasonable and proper enquiries true, complete and accurate in all respects.

2.5 It has informed the GLA of any material change that has occurred since:

2.5.1 the date of submission of the proposed Approved Bid prior to the date of this Agreement; and

2.5.2 the Approved Bid, as the same may be amended, added to, supplemented, substituted or varied in accordance with this Agreement, on each occasion of its amendment, addition, supplementation, substitution or variation of which it is aware (or ought to be aware) having made all reasonable and proper enquiries which would render such information untrue, incomplete or inaccurate in any material respect including without limitation the provision or offer of any additional Public Sector Subsidy.

2.6 It is not aware of any material fact or circumstance that has not been disclosed to the GLA and which might, if disclosed materially, adversely affect the decision of anyone considering whether or not to contract with it.

2.7 So far as the Grant Recipient is aware (having made all reasonable enquiries) the Affordable Starts Condition will be satisfied by 31 March 2021.

2.8 The level of rent for any LAR Dwellings will be set at the Benchmark Rent Levels.

2.9 The level of rent for any LLR Dwellings will be set at the LLR Rent Levels and the Grant Recipient will review and, if applicable, adjust the rent of any LLR Dwelling in accordance with Condition 10.4.3 each Financial Year.

2.10 All data or other information supplied to the Regulator or the GLA in connection with, or related to the Approved Bid or this Agreement is accurate.

2.11 The Grant Recipient will own and be the landlord of the LAR Dwellings and the LLR Dwellings to be provided pursuant to this Agreement.

3 Application of Approved Bid Capacity

3.1 Other than any Nil Grant Units, none of the AHP Dwellings provided pursuant to this Agreement are being subsidised by RTB Funds.

3.2 Save where expressly agreed by the GLA, no Named Project which is a Section 106 Project is being subsidised by Named Project Grant or Fund Proceeds.

3.3 Save where expressly agreed by the GLA, all AHP Dwellings have been let or disposed of (as applicable) in accordance with the terms of the Approved Bid.

3.4 So far as the Grant Recipient is aware (having made all reasonable enquiries) the Approved Bid (including, inter alia, all projected Start on Site and Practical Completion dates) is capable of being delivered without the need for a change to the Approved Bid.

3.5 Where delivering Estate Regeneration in connection with a Named Project the Grant Recipient will comply with the Good Practice Guide to Estate Regeneration.

4 Authority of Grant Recipient's Representative

The Grant Recipient's Representative is empowered to act on behalf of the Grant Recipient for all purposes connected with this Agreement.

5 **Propriety**

5.1 No member, employee, agent or consultant of the Grant Recipient or of any partner organisation of the Grant Recipient has any personal, proprietary or pecuniary interest in:

5.1.1 any person from whom the Grant Recipient is purchasing land or property for the purposes of or in connection with this Agreement;

5.1.2 any contractor engaged or to be engaged by the Grant Recipient in connection with this Agreement;

5.1.3 any land or other property to be acquired or developed refurbished or improved by the Grant Recipient for the purposes of or in connection with this Agreement.

5.2 No member, employee, agent or consultant of the Grant Recipient or any partner organisation of the Grant Recipient is, has or will be entitled to any preferential treatment by virtue of their position or associations whether in terms of:

5.2.1 access to properties developed, Rehabilitated or, disposed of pursuant to this Agreement; or

5.2.2 the prices at which such properties are let or disposed of.

6 **Local Government Act 1999**

The Grant Recipient is not subject to any Section 15 Direction nor do any circumstances exist which would permit such a direction to be issued.

7 **Local Government Finance Act 1988**

No Section 114 Report has been made nor is the Grant Recipient aware of any circumstances which would give rise to the making of a Section 114 Report.

Schedule 2
Development Costs
Part 1
Development Costs

Heads of expenditure

1 Acquisition

- 1.1 Purchase price of land/Site/buildings.
- 1.2 Stamp Duty Land Tax on the purchase price of land/Site.

2 Works Costs

- 2.1 Main works contract costs (excluding any costs defined as on costs).
- 2.2 Major Site development works (where applicable). These include piling, soil stabilisation, road/sewer construction, major demolition.
- 2.3 Statutory agreements, associated bonds and party wall agreements (including all fees and charges directly attributable to such works) where applicable.
- 2.4 Additional costs associated with complying with archaeological works and party wall agreement awards (including all fees, charges and claims attributable to such works) where applicable.
- 2.5 Irrecoverable VAT on the above (where applicable).

3 On costs

- 3.1 Legal fees and disbursements.
- 3.2 Net gains/losses via interest charges on development period loans.
- 3.3 Building society or other valuation and administration fees.
- 3.4 Fees for building control and Planning Permission.
- 3.5 Fees and charges associated with compliance with European Community directives, and the GLA's requirements relating to energy rating of dwellings and Eco-Homes certification.
- 3.6 In-house or external consultants' fees, disbursements and expenses (where the development contract is a design and build contract) (see note below).
- 3.7 Insurance premiums including building warranty and defects/liability insurance (except contract insurance included in Works costs).
- 3.8 Contract performance bond premiums.
- 3.9 Borrowing administration charges (including associated legal and valuation fees).
- 3.10 An appropriate proportion of the Grant Recipient's development and administration costs.
- 3.11 Irrecoverable VAT on the above.

Note 1

Where the development contract is a design and build contract, the on-costs are deemed to include the builder's design fee element of the contract sum. The amount included by the builder for design fees should be deducted from the Works cost element referred to above, as should other non-works costs that may be submitted by the builder such as fees for building and Planning Permission, building warranty, defects liability insurance, contract performance bond and energy rating of dwellings.

Note 2

Some items will not qualify as Development Costs unless the Grant Recipient can clearly demonstrate that such costs are properly chargeable to the housing development, i.e. for the sole use of the residents or to comply with any statutory obligations that may have been imposed.

Examples of these are as follows:

- works to any roads which do not exclusively serve the housing development;
- landscaping to areas of land which lie outside the boundaries of the Site;
- district heating systems;
- trunk sewers and sewage disposal works;
- special refuse treatment buildings;
- public conveniences;
- community halls, club rooms, recreation rooms.

Note 3

Subject to the above, where any cost incurred or to be incurred by the Grant Recipient is common both to the development of the AHP Dwellings within any Named Project and to any other activity, asset or property of the Grant Recipient, only such part of that cost as is attributable to the development of the AHP Dwellings may be treated as a cost in respect of which grant under this Agreement may be paid.

Part 2

Costs which are not Development Costs

Capital costs incurred:

- 1.1 which are not eligible for social housing assistance as defined in Section 32(13) of the HRA 2008;
- 1.2 on land (forming part of the total site acquired) which will not be used exclusively for housing provision purposes directly related to the Named Project;
- 1.3 on estate offices, factories, letting offices;
- 1.4 on stores;
- 1.5 on medical or dental surgeries, clinics;
- 1.6 on police stations, public libraries, bus shelters;
- 1.7 on shops, restaurants, public houses, offices;
- 1.8 on transformer and other related buildings;
- 1.9 on maintenance depots, tools, plant and vehicles;
- 1.10 on garages (other than integral garages on market purchase scheme types) and greenhouses; and
- 1.11 on separate commercial laundry blocks and related equipment.

Schedule 3

Legal Opinion

[TO BE TYPED ON COUNCIL NOTEPAPER]

Our ref

Your ref

Date

Email address

Greater London Authority

City Hall

The Queen's Walk

More

London

SE1 2AA

To: Greater London Authority (the **GLA**)

Dear Sirs,

Legal Opinion Approved Provider re Grant Agreement and related matters

I refer to the proposed Approved Provider Grant Agreement to be entered into between [] (the **Council**) and the GLA (the **Agreement**) for the purposes of, inter alia, providing affordable housing which is dated on or about the date hereof. In connection with the giving of this opinion, I have examined:

- (a) the Agreement in its final form prior to execution and delivery thereof by the Council;
- (b) the Council's Standing Orders for approving entry into and the execution and delivery of deeds by the Council and for the delegation of its authority and the powers of the Council's Executive;
- (c) such other documents I consider appropriate for the purposes of giving this opinion.

I do not express any opinion as to, nor have I investigated the law of any jurisdiction other than England.

I am of the opinion that, as at the date hereof, as a matter of English law, the Council has the power and authority to enter into, observe and perform the terms and obligations on its part to be observed and performed by it under the Agreement and has taken all necessary action and has obtained all relevant consents and approvals (statutory or otherwise) to authorise the execution and delivery of the Agreement and the performance and validity of the obligations under it.

Neither the execution and the delivery of, nor the performance by the Council of its obligations under the Agreement will violate any provisions of any existing application law, rule, regulation or

agreement binding on the Council, and the Agreement constitutes a valid and legally binding obligation on the Council enforceable in accordance with its terms. I have given this opinion, taking into account the common law and statutory duties applicable to the exercise of power by the Council.

The above opinions are subject to the reservation that under English law, the power of the court to order or pursue performance of an obligation and any other equitable remedies is discretionary and, accordingly, an English court might make an award of damages where specific performance of an obligation at work or remedy is sought.

This opinion is given by virtue of my position as Solicitor to the Council and is only given as the holder of that office. I am not giving this opinion in a personal capacity, nor do I accept any private or personal liability for any error or omission in it or which may arise therefrom and the recipient, in seeking to place reliance on the contents of this letter, must duly acknowledge the same if any error or omission is later to be found. This opinion is addressed to the GLA and is solely for its benefit. It may not be disclosed to or relied upon by any other person or made public in any way without my prior consent. This opinion is limited to matters addressed herein and is not to be read as an opinion with respect to any other matter.

Yours faithfully

Council Solicitor

There follows the specimen signatures and titles of those who will or may attest the execution as a deed of the Agreement referred to above.

Name	Title	Specimen Signature

Annexure 1

Financial Confirmation

[Confirmation to be provided on the Grant Recipient's letterhead]

Greater London Authority

[(Attention: [])]

Dear Sirs

We refer to a Grant Agreement dated *[insert date]* made between (1) the Greater London Authority and (2) *[insert name of the Grant Recipient]* (the **Agreement**).

Capitalised terms used in this certificate, unless otherwise defined herein, shall have the same meaning as given to them in the Agreement.

Pursuant to Condition 11.6 of the Agreement, we hereby confirm that based on current actual and projected information *[delete one of the following options as appropriate]* [the Agreement Funding together with the Decision Revenue will not exceed the Aggregate Development Costs.] / [the Agreement Funding together with the Decision Revenue is projected to exceed the Aggregate Development Costs and we have provided the details below².

Number of AHP Dwellings which are Practically Complete []

Agreement Funding (actual - received for AHP Dwellings which have achieved Practical Completion) £[]

Decision Revenue (projected - rents and first tranche sales receipts for AHP Dwellings which have achieved Practical Completion) £[]

Actual Development Costs (in relation to the AHP Dwellings which have achieved Practical Completion) £[]

Actual cost gap (aggregate Actual Development Costs less Decision Revenue)] £[]

Dated:

.....

Signed by:

² The aggregated information required will be drawn from information Grant Recipients are required to upload to OPS from time to time

..... (Print name)

..... (State role / position)

for and on behalf of [*name of Grant Recipient*]

DRAFT

Annexure 2

Part 1

Affordable Starts Certificate

[Certificate to be provided on the Grant Recipient's letterhead]

Greater London Authority

[(Attention: [])]

Dear Sirs

We refer to a Grant Agreement dated *[insert date]* made between (1) the Greater London Authority and (2) *[insert name of the Grant Recipient]* (the **Agreement**).

Capitalised terms used in this certificate shall, unless otherwise defined herein, have the same meaning as given to them in the Agreement.

Pursuant to Condition 18.8.1 of the Agreement, we hereby confirm that so far as we are aware (having made all reasonable enquiries) at least fifty per centum (50%) of our Housing Starts in London for the period from 1 April 2015 to 31 March 2021 will be for Affordable Housing dwellings (the **Condition**) and no material facts or circumstances exist which threaten the satisfaction of fulfilling this Condition.

Dated:

.....
Signed by:

..... (Print name)

..... (State role / position)

for and on behalf of *[name of Grant Recipient]*

Part 2

Affordable Starts Final Certificate

[Certificate to be provided on the Grant Recipient's letterhead]

Greater London Authority

[(Attention: [])]

Dear Sirs

We refer to a Grant Agreement dated *[insert date]* made between (1) the Greater London Authority and (2) *[insert name of the Grant Recipient]* (the **Agreement**).

Capitalised terms used in this certificate shall, unless otherwise defined herein, have the same meaning as given to them in the Agreement.

Condition 18.8.2 of the Agreement requires us to provide a certificate by 30 June 2021 setting out whether the Affordable Starts Condition has been satisfied together with supporting evidence.

We hereby confirm that *[insert details]* Housing Starts have occurred in the period commencing on 1 April 2015 and ending on 31 March 2021 (the **Confirmed Housing Starts**) and *[insert details]* of the Confirmed Housing Starts are for Affordable Housing dwellings.

In support of this certificate we append the following information: *[insert a summary of the information required by the Affordable Housing Capital Funding Guide. Please ensure such information is in the form and includes the details specified by the Affordable Housing Capital Funding Guide.]*

Dated:

.....

Signed by:

..... (Print name)

..... (State role / position)

for and on behalf of *[insert name of Grant Recipient]*

This Agreement has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

EXECUTED as a **DEED** by affixing)
the common seal of the)
GREATER LONDON AUTHORITY)
In the presence of:

Authorised Signatory

EXECUTED as a **DEED** by affixing)
the common seal of **[GRANT RECIPIENT]**)
in the presence of:)

Authorised signatory

Authorised signatory

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CABINET

Subject Heading:

Private Sector Housing Enforcement Policy

Cabinet Member:

Councillor Damian White
Deputy Leader of the Council and
Cabinet Member for Housing

SLT Lead:

Steve Moore
Director of Neighbourhoods

Report Author and contact details:

Dipti Patel
Assistant Director for Environment
Dipti.patel@havering.gov.uk
Louise Watkinson
Public Protection Group Manager
01708 432771
Louise.watkinson@havering.gov.uk

Policy context:

Following the decision taken at Cabinet in October 2017 (Private Rented Sector Landlord Licensing), Cabinet will be asked to give approval to the Private Sector Housing Enforcement Policy to enable the Council to enforce the scheme under the relevant legislation listed within the Councils Constitution.

Financial summary:

The Policy itself has no financial implications. Any enforcement action taken will consider financial risk to the council.

Is this a Key Decision?

Yes – Significant effect on two or more Wards. Indicate grounds for decision being Key:

When should this matter be reviewed?

December 2018

Reviewing OSC:

Towns & Communities Overview & Scrutiny Committee

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

On 11th October 2017 Cabinet agreed an Additional Licensing Scheme for Houses in Multiple Occupation. To support related enforcement of the scheme a Private Sector Housing Enforcement Policy is required which has regard to the Regulator's Code (Legislative and Regulatory Reform Act 2006).

RECOMMENDATIONS

1. To agree the Private Sector Housing Enforcement Policy in Appendix 1.
2. To delegate to the Director of Neighbourhoods in consultation with the Lead Cabinet Member for Housing powers to make any minor amendments to the enforcement policy.

REPORT DETAIL

The Private Sector Housing (PSH) Enforcement Policy sets out a broad overview of the principles and processes in how the Council will deal with breaches of housing law and other public health legislation. Its' aim is to ensure the law is applied fairly and consistently; and that health and housing standards are protected within the borough by:

- Improving landlord professionalism and changing behaviour by providing a deterrent for non-compliant landlords;
- eliminating financial gain or benefit from non-compliance;
- providing transparent and consistent regulation within the private rental market;
- promoting professionalism and resilience within the private rented sector.

The Policy (see Appendix 1) defines;

- how we will investigate alleged offences;
- key principles of enforcement (consistency, proportionality, openness, transparency and accountability);
- how persons and individuals can engage with the Council i.e. complaints, feedback or compliments;
- any associated charges;
- any associated publicity.

REASONS AND OPTIONS

Reasons for the decision:

To assist the Council's enforcement action and statutory obligations under The Housing and Planning Act 2016, The Housing Act 2004 and other associated public health legislation to support the operation of the borough's Additional Licensing Scheme for Houses in Multiple Occupation.

Other options considered:

To not have an enforcement policy in place could lead to both an inconsistent approach to enforcement decisions and leave the authority open to legal challenge.

IMPLICATIONS AND RISKS

Financial implications and risks:

This policy is required in order to support the additional licensing scheme that was introduced on 11 October 2017. Provision has been made within the licence fee charges to generate income towards enforcement of the scheme. However, as this is a new scheme the exact number of licence applications is based upon prediction and therefore may impact upon the level of income that can be raised to use for enforcement. In addition, the amount of enforcement required within this sector has only been estimated using previous studies, if accommodation standards are worse than forecast this may require additional enforcement resources. There are contingencies in place to deal with any shortfall of increased enforcement, such as partnership working with other London Boroughs, partner agencies and the expected income from civil penalties.

Fixed penalty notices

On the 6th April 2017, the Housing and Planning Act 2016 came into effect which allows the authority to issue civil fixed penalties for offences under the Housing Act 2004 etc. with a report to Cabinet on 11 October 2017 seeking agreement to draw down these powers. Any income from civil fixed penalties will be retained by the authority and can only be used to improve the housing authority's statutory functions in relation to enforcement activities within the private rented sector as specified in the Rent Repayment Orders and Financial Penalties (Amounts Recovered) (England) Regulations 2017.

Additional staffing resource of 1.5 FTE for an 18 months period has been agreed to bolster the enforcement of housing standards throughout the Borough. The Directorate will endeavour to meet this sum from within its approved budget.

However, any shortfall up to the value of £75,000 will need to be met from the Business Risk Reserve.

Legal implications and risks:

The Private Sector Housing Enforcement Policy sets out a useful framework in which officers of the Council will operate when considering the most appropriate course of enforcement action against landlords. Each complaint must be considered on a case by case basis and the policy sets out what action the Council can take and the reasons why.

Civil Penalties under The Housing and Planning Act 2016 may only be imposed for offences committed after 6th April 2017, and regard must be had to the Statutory Guidance under Schedule 9 (12) of the said Act in the exercise of their functions.

Human Resources implications and risks:

This is a new area of work for the Council and additional staff resources have been allocated to enable the effective deliver of the additional Houses in multiple occupation licensing scheme and the associated enforcement. The service is confident that the level of resources allocated to undertake enforcement is sufficient but intend to review this at key stages (6 and 12 months) and provide an update report as necessary.

A recruitment exercise has been undertaken to attract experienced and qualified housing professionals. A robust training programme for all existing staff involved in the delivering an effective HMO licensing scheme and enforcement service is also programmed over the coming months. Additional support and expertise will be sought from other London Boroughs who have a good track record in the area of private sector housing enforcement as required.

Equalities implications and risks:

An Equalities Impact Assessment is included within Appendix 2.

This policy is relevant to all equality groups in Havering and the overall impact has been assessed as positive. All private tenants, particularly those living in HMOs in the areas covered by the licensing scheme, will be positively affected by robust enforcement action where non-compliance is identified.

Generally the effect of this policy is to ensure consistent and appropriate action is taken where landlords blatantly flout their legal obligations and put their tenants at risk.

BACKGROUND PAPERS

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Public Protection

Private Sector Housing Enforcement Policy

Document Control

Document details

Title	<i>Public Protection Private Sector Housing Enforcement Policy</i>
Version number	<i>V0.1</i>
Status	<i>Draft</i>
Author	<i>Louise Watkinson</i>
Lead officer	<i>Louise Watkinson</i>
Approved by	<i>TBC</i>
Approval date	
Review date	<i>Tbc</i>

Supersedes	<i>n/a</i>
Target audience	<i>Members, Business and Residents</i>
Related to	<i>Enforcement Action take under Council Constitution Public Protection Enforcement Policy</i>

Version history

Version	Status	Date	Dissemination/Change
V0.1	Draft	<i>Dec 2017</i>	

Member Approval history

Version	Status	Date	Approved by
<i>Add final version number e.g. V0.4</i>	<i>Add status of policy e.g. Final</i>	<i>Add date</i>	<i>Add name of approving body e.g. Cabinet</i>



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Introduction

- 1.1 This enforcement policy is drawn up in line with the principles of good enforcement outlined in the Enforcement Concordat, the Hampton report and with specific regard to the Regulator's Code (Legislative and Regulatory Reform Act 2006).
- 1.2 This policy sets out how Havering Council as the Local Housing Authority will deal with breaches of housing law and other public health legislation. The Authority will aim to ensure the law is applied fairly and consistently, and to tackle offenders in proportion to any crime committed, whilst minimising the impact for the complainant.
- 1.3 This policy deals with the practical application of enforcement procedures that will be used to achieve compliance with housing and environmental standards. The full range of enforcement options can be found in appendix 1.
- 1.4 The Council expects landlords to comply with the law and proactively manage their properties. This is to ensure that the health and welfare of tenants are protected and their properties, and activities at their properties, are not having a negative effect on the neighbouring population.
- 1.5 Our overall aim of our enforcement action is to protect health and improve housing standards by;
 - changing the behaviour and seeking legal punishment of those who flout the law;
 - eliminating financial gain or benefit from non-compliance;
 - providing transparent and consistent regulation within a private market;
 - promoting professionalism and resilience within the private rented sector.
- 1.6 Enforcement action and resources will be applied proportionally based on the seriousness of the offence(s) and focused toward seeking the highest penalties for the worst offenders. This means taking legal action where we detect serious or systematic breaches of housing and public health legislation.
- 1.7 Where less significant breaches of the law are witnessed and/or the risk to health is lower, we will attempt to resolve problems through the signposting of complainants, possibly using lesser civil legal routes or through informal action. This will enable economic growth for compliant businesses.

2. How we investigate

- 2.1 We will use data, intelligence and documentary audits of certain licenced properties to target our proactive and reactive inspections on those premises with disrepair, overcrowding, nuisances and other public health issues and also those without property licences and those in breach of their licence.

- 2.2 In the first instance for most cases, service users are expected to take their own action to resolve the problem. This will usually need to be in the form of a written complaint to their landlord, allowing them sufficient time to respond. Where service users approach the service with a complaint we will ask to see a copy of any such correspondence prior to initiating action. For less serious or minor matters, we will be unable to take direct action. We will endeavour to point service users toward further help and advice wherever possible.
- 2.3 Leaseholder complaints: Havering Council is generally not able to respond to complaints by long leaseholders requesting assistance in taking action against other long leaseholders or freeholders (this includes all tenure types). Havering will only offer assistance in cases where there are exceptional circumstances; this may include cases where there is imminent risk to health.
- 2.4 In all other situations the leaseholder will be redirected to;
- The Leasehold Advisory Service - Fleetbank House,
2-6 Salisbury Square, London, EC4Y 8JX
Telephone: 020 7832 2500
<http://www.lease-advice.org>

3. General Enforcement Policy

- 3.1 The key principles we will apply to our enforcement activity are
- Consistency
 - Proportionality
 - Openness
 - Transparency
 - Accountability
- 3.2 Consistency: means taking a similar approach in similar circumstances to achieve similar outcomes. It does not mean uniformity, as complaints will be considered on a case by case basis and officers will take into account many factors such as the level of risk, culpability of the offender, the history of compliance and actions of those involved.
- 3.3 Proportionality: this means correlating the most appropriate enforcement action to the risks and severity of the offences committed and to deter offenders from repeating the offence and discourage others from committing similar offences. This will ensure that the most serious risks are targeted first.
- 3.4 Openness: means explaining our actions clearly in plain language and discussing compliance failures or problems with anyone experiencing difficulties. A clear distinction will be made between legal requirements and advice or guidance.

- 3.5 Transparency: We will make it clear to those being regulated what their obligations are and give them time to comply where appropriate to do so. The consequences of non-compliance will be made clear. In some instances it may be necessary to secure urgent compliance with notices etc. for example if public health and safety is a concern.
- 3.6 Accountability: all officers of the council will be fair, open, courteous and will identify themselves by an identification card. Where cases have been referred for further legal action, all decisions will be accurately recorded and justified on why that action has been taken.
- 3.7 We will ensure that Officers have the necessary knowledge and skills to support those they regulate, including having an understanding of those they regulate, which will enable them to choose proportionate and effective approaches.
- 3.8 We will endeavour to provide general information, advice and guidance to make it easier for landlords to understand and meet their regulatory obligations. We will also attempt to signpost those landlords who have more complex questions or require legal advice. Such information will be provided via the Council's website.
- 3.9 The Council's additional HMO licencing scheme will be 'light touch' for compliant landlords and its enforcement focus will be on the non-compliant landlords. We will achieve this through the risk assessment of data from various sources, such as complaints, licensing audits and historical data.
- 3.10 The Council will assist landlords, licence holders and agents where possible on its licensing procedures and requirements. In most cases the Council will attempt to communicate with Landlords where contraventions are suspected unless the suspicions are serious or if the suspect has a history of poor standards and/or non-compliance. Where required, property inspections will then be carried out, with a view to immediate enforcement.
- 3.11 Where property defects and evidence of poor management are identified, which are likely to significantly impact on health, the Council will take action. It will also take action where information is not provided or misleading information is given and when fraud is uncovered.
- 3.12 A significant health impact is related to the existence of Category 1 hazards, statutory nuisances, management regulations breaches and other significant public health hazards.
- 3.13 The Council will usually serve a statutory Notice or Order where Category 1 or multiple high category 2 hazards are found. Reasonable time will be given to complete the works if a notice is served.
- 3.14 Nuisances and other public health matters that are not abated by the responsible person before the Council witnesses the offence will result in the relevant statutory notice being served. Breaches of HMO management regulations and/or breach of the conditions of the property licence will normally lead to enforcement as detailed appendix 1.

- 3.15 Charges for the service of each notice will normally be made, where applicable (see below).
- 3.16 Where landlords fail to comply with notices, the Council will normally take legal action against the appropriate person. It may also carry out works in default of the owner. The cost of these works and the administrative costs will be raised as a charge against the property (see below).
- 3.17 Where legal action is necessary to address housing offences and other related offences, the Authority will consider the appropriate action required on a case by case basis. The Authority will usually consider imposing a civil penalty as the primary enforcement tool having regard to the most up to date Statutory Guidance published by the Department for Communities and Local Government on 'Civil Penalties under The Housing and Planning Act 2016'. The same criminal standard of proof is required for a civil penalty as for a prosecution.
- 3.18 The Authority may consider whether a prosecution is the most appropriate course of action. Cases will be referred for Prosecution as an alternative to issuing a civil penalty where there has been,
- serious neglect of their responsibilities as a landlord/agent, or
 - significant harm as a result of their criminality, or
 - where there have been previous criminal convictions or out of court disposals particularly for similar offences, or
 - Poor history of compliance with housing and associated legislation, or
 - the criminality has had significant adverse effects on tenants or other victims, or
 - Issuing a Financial Penalty is not likely to change perpetrator behaviour or housing conditions.
- 3.19 Whether or not the Authority issues a civil penalty or refers the case for a prosecution, in both instances they must be satisfied the case meets the tests set out in Crown Prosecution Service 'Code for Crown Prosecutors' and that there is a 'realistic prospect of conviction'.
- 3.20 The Council may also, and in addition to other action, seek to obtain a Rent Repayment Order (RRO) from the offender to recover up to 12 months of Housing Benefit/Universal Credit that was paid to them by their tenant/s.
- 3.21 Where financial penalty, RRO and/or charges are not repaid civil action will be taken to recover outstanding debt and other charges incurred.
- 3.22 In cases where breaches of housing law and other public health legislation are witnessed, but the public interest test is in question, a simple caution may be offered. This may mean criminal landlords repaying Havering's legal and enforcement costs.
- 3.23 All information obtained will be treated in confidence and in accordance with the Data Protection Act 1998 and the EU General Data Protection Regulation once this is in force. However, it must be recognised that the Council operate secure mechanisms to share information with other internal

and external agencies and law enforcement bodies, there will be circumstances where shared or complimentary enforcement action may be taken with other agencies to help target resources and activities and minimise duplication.

- 3.24 To reduce the likelihood of retaliatory eviction, enforcement action will continue until the property is brought up to a satisfactory condition, whether or not the original tenant remains in the property.
- 3.25 To ensure consistency and adherence to the enforcement policy, internal procedures will be put in place to ensure legal actions are monitored and reviewed.
- 3.26 A list of enforcement options and outcomes can be found in appendix 1.

4. Complaints, Feedback or Compliments

- 4.1 Those persons and individuals who are regulated by this department should expect that they will be dealt with professionally and in a manner in accordance with the Council's code of conduct for officers.
- 4.2 In the event that an individual or company is not satisfied with the service or if not in agreement with the action taken by the investigating officer or wish to give feedback about the service they have received, they should first contact the Team Manager.
- 4.3 If you wish to make a compliment you should also contact the Team Manager.
- 4.4 The Team Manager can be contacted at,
Tel: 01708 432777
Email: environmental.health@havering.gov.uk
- 4.5 If this does not resolve the complaint, the Council also has a formal complaints system. Please visit <https://www.havering.gov.uk>
- 4.6 Contact them in writing at:

Complaints and Member Enquiries
London Borough of Havering
Town Hall
Main Road
Romford, Essex
RM1 3SL
- 4.7 Please note you can still make a complaint in cases where the Council has instigated legal proceedings. However, making a complaint will not stop any impending legal action.

- 4.8 Where statutory notices have been served, making a complaint does not replace your statutory rights of appeal or your right to make representation. Nor does it allow you extra time to comply with any notice.
- 4.9 If you disagree with a statutory notice then you should take action specified in the notice to make an appeal, if any exists. Please read the notes that accompany the notice for more detail.

If a summons or directions have been issued by a Court or Tribunal you must continue to follow these. As with all cases where legal action is being taken, it is strongly recommended that you seek legal advice.

5. Charging and Compensation

- 5.1 There will be a charge for Notices served and Orders made under the Housing Act 2004, excluding management regulations. More information can be found within the Notice Charging procedure.
- 5.2 The proposed recipient of any charging notice can make representations as to their personal circumstances. The charge will only be waived in exceptional circumstances following consideration of the particular merits of any such representations received. If there is an appeal against the Notice or Order, then the charge will not be applied until the appeal is resolved and if the notice or order is upheld.
- 5.3 There is no right of appeal against a charging notice; only to the notice or order to which the charging notice relates.
- 5.4 Where works in default are completed an administrative charge of 30% will be added to the works cost.
- 5.5 We may also seek a contribution to our costs if a simple caution is issued. These costs will be reasonable and a schedule of costs will be produced on request.

6. Publicity

- 6.1 We will work with various media organisations and persons to promote and inform people about our enforcement regime. We also will look to publish certain prosecutions on the Greater London Authority (GLA) watch list and the Dept. Communities and Local Government (DCLG) statutory database. Media coverage will normally be sought in the following cases:
- The offence is a serious one or has significant factors such as the risk to health of tenants, visitors or neighbours, the exploitation of tenants, anti-social behaviour or an issue affecting the wider area or private rented sector.
 - Coverage will assist in securing compliance by others or is in the public interest to demonstrate the Councils actions and to help inform issues in the wider housing sector.

- To draw attention to a particular issue or set of hazards;
- To provide potential renters and tenants with information that will enable them to check whether a landlord has a poor operating history. It will seek to ensure the private rented housing market operates in a fairer and more transparent way, and that tenants are protected from exploitation by unscrupulous landlords and letting agents.
- To support other local authorities and regulatory partners in their enforcement efforts, through information sharing, and increase awareness of criminal and rogue landlords who operate across borough boundaries to crack down on poor and criminal behaviour.
- The offence is serious and/or was committed wilfully and the Council wishes to draw attention to their willingness to take a hard line in such cases.
- Coverage is otherwise in the public interest;
- A press release will also be issued about convictions where it is considered that publicity will bring in benefits by promoting compliance with those statutory requirements designed to protect the health, safety and welfare of customers, residents, workers and visitors, as well as the borough's environment.
- Media coverage will not be sought where the primary motive is to cause damage to the subject.

7. Further Information

- 7.1 If you would like more information on our service, please go to the webpage at <https://www.havering.gov.uk>
- 7.2 If you are a Landlord and would like training and support on property management matters such as Housing Benefit rules, possession proceedings and changes in housing legislation you should visit Havering's Landlord Accreditation page at <https://www.havering.gov.uk>

Action	Circumstances
1. No action	<ul style="list-style-type: none"> Complaints or allegations of housing legislation breaches or statutory nuisances are of minor or low risk to health and the landlord has not been informed by the complainant, or allegations are unsubstantiated and unwitnessed. Formal action is inappropriate in the circumstances.
2. Advisory notices and letters	<ul style="list-style-type: none"> Where conditions are evidenced to justify action and investigation and it is appropriate to give opportunity to landlords and tenants to make representations, provide information or effect change to meet compliance. No health impacts are present which poses a risk to health or nuisance.
3. Formal notices or orders	<ul style="list-style-type: none"> The defect/conditions presents a risk to health and/or a nuisance. There are previous failures of statutory requirements. Previous advisory notices/letters ignored or action was not taken in a timely manner or to the correct standard. There is a lack of confidence in the individual or management i.e. the willingness to respond to an informal approach The Council is legally required to serve a statutory notice.
5 Financial Penalties (of up to £30,000.)	<ul style="list-style-type: none"> Non-compliance with an improvement or overcrowding notice. Failure to obtain a property licence Significant and/or repeated breaches of HMO management regulations. Breaches of the conditions of the property licence. Amount of penalty decided by financial penalty Matrix Used as alternative to a prosecution.
4. Works in Default – Emergency Remedial Action & Emergency Prohibition Order	<ul style="list-style-type: none"> There is an imminent risk to health and safety to the occupant and/or public Awaiting the service of a notice or a prosecution would not adequately protect the public interest. However this does not rule out subsequent action being taken in conjunction with a prosecution, financial penalty, RRO or other legal action.
5. Works in Default – non-compliance with a notice	<ul style="list-style-type: none"> We may choose to carry out works required by a notice if they have not been completed within the permitted time or are not likely to be completed within the permitted time. This may be taken in conjunction or followed with a prosecution or financial penalty and/or RRO.
6. Reducing the term (length) of an additional HMO Licence.	<ul style="list-style-type: none"> When assessing a Property Licence application, where appropriate and in conjunction with the Council's Fit and Proper and Cause for Concern policies, we may reduce the term of the licence. A Licence holder may continue to stay on a 1 year licence if they still are a 'Cause for Concern'. E.g not fulfilling the training requirement, poor management etc;
7. Adding new property licence conditions	<ul style="list-style-type: none"> When assessing a Property Licence application, where appropriate and in conjunction with the Council's Fit and

	<p>Proper and Cause for Concern policies, we may add further conditions to remedy poor landlord behaviour or standards e.g. not fulfilling the training requirement, poor management etc.;</p>
8. Formal (Simple) Caution	<ul style="list-style-type: none"> This will be offered as an alternative to a financial penalty or a prosecution for very low level offending where it is appropriate to do so in line with the Home Office Guidance on Simple Cautions and The Code of Crown Prosecutors.
9. Refusal to grant a property licence and Revocation of property licenses and approvals	<ul style="list-style-type: none"> Where the Licence application is not made in accordance with the Council's application requirements; or Where the Licence application is not accompanied by the appropriate fee; or Where the proposed manager/licence holder is not a 'fit and proper' person; or Where the proposed manager/licence holder is not the most appropriate person to hold a licence; or Where the proposed manager/licence holder is not the person or an agent of a person who has control of the property; or Where the proposed management arrangements are not satisfactory; or Where the property is not reasonably suitable of occupation in regards the number of persons or households. Where the Council consider that the licence holder or any other person has committed a serious breach or repeated breaches of a condition of the licence. Or a combination of the above.
10. Prosecution	<ul style="list-style-type: none"> This will be considered for the more serious cases which satisfy the legal tests under the 'Code for Crown Prosecutors' in that it passes the i) evidential stage and ii) public interest stage. At the charging stage, there must be 'a realistic prospect of conviction'. Once the case is issued in Court, if the case is contested, the Authority must prove the case 'beyond reasonable doubt'. See section 3.18 for more detail.
11. Rent Repayment Orders (RRO)	<ul style="list-style-type: none"> RRO will be considered after every successful prosecution for failure to comply with an Improvement Notice (section 30); Prohibition Order, including Emergency Prohibition Orders (section 32); Offences in relation to licensing of HMOs (section 72) and in relation to licensing of houses under Part 3 of the Act (section 95). Where a landlord fails to licence a licensable property and they received a significant amount of Housing Benefit, a RRO application may be made to the First Tier Tribunal.
12. Banning Order	<ul style="list-style-type: none"> The Council may decide to seek a Banning Order following the breach of 'banning order offences' by landlords and agents. A banning order last for a minimum of 12 months and prevent landlords or agents from letting their own properties or being involved in the lettings and property management industry across England.
13..Proceeds of Crime	<ul style="list-style-type: none"> Where landlords or others have benefited from the proceeds of a criminal activity we will work with Trading

Act	Standards colleagues and other internal departments as necessary to consider applications or legal proceedings under the Proceeds of Crime Act 2002 or other associated legislation. .
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DRAFT

Appendix 2

Equality Impact Assessment (EIA)

Document control

Title of activity:	Private Sector Housing Enforcement Policy
Type of activity:	Strategy
Lead officer:	Louise Watkinson, Public Protection Manager
Approved by:	Dipti Patel Assistant Director of Neighbourhoods
Date completed:	1 December 2017
Version Number	V1
Scheduled date for review:	Tbc

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the council's website?	No

1. Equality Impact Assessment Checklist

About the activity

1	Title of activity	Private Sector Housing Enforcement Policy
2	Type of activity	Strategy
3	Scope of activity	A new landlord licensing scheme was recently introduced under the provisions of Part 2 of the Housing Act 2004. Twelve wards within Havering were designated as an Additional Licensing area on 11 October 2017. This will have the effect of requiring landlords of <u>all</u> houses in multiple occupation (HMO) in these areas to obtain a property licence. The designation is intended to last for five years and during this period a programme of proactive enforcement will be carried out in order to maximise compliance. This policy will assist the Council to ensure robust enforcement of this scheme together with other offences under Housing Act 2004.
4a	Is the activity new or changing?	The Council already has an enforcement policy however this is not fit for purpose and does not give consideration to new enforcement powers available under the provision of the Housing and Planning Act 2016 in relation to Housing Act offences. It is envisaged that a policy specific to Private Sector Housing enforcement is appropriate in this instance in order to maximise the enforcement options available to the Council.
4b	Is the activity likely to have an impact on individuals or groups?	Yes, a new enforcement policy will impact on the following individuals/groups : <ul style="list-style-type: none"> • Landlords, property managers and agents who rent out property within Havering, in particular those who manage houses in multiple occupation and are located within the designation area. • Tenants who occupy or are potential occupiers of privately rented homes in Havering
5	If you answered yes:	<p>Section 149 of the Equality Act 2010 stipulates the public sector equality duty. A public authority must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act. • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. • Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>Section 2 of this EIA addresses the public sector equality duty insofar as compliant landlords and tenants will not be adversely affected by this policy and may benefit from the fact that enforcement activity will be</p>

		<p>targeted to ensure that those who repeatedly ignore their obligations or are found guilty of serious breaches of Housing legislation are suitably punished, whilst a light touch approach will be applied in less serious cases.</p> <p>The existence of a clearly defined enforcement policy will also ensure that a proportionate and consistent approach is applied in all cases.</p>
6	If you answered no:	N/A

Completed by:	Wendy Laybourn, Senior Private Sector Housing Strategy Officer, Environment Services/ Neighbourhoods Directorate
Date:	1 December 2017

2. Equality Impact Assessment

Understanding the different needs of individuals and groups who use or deliver this service

Context:
<p>Havering has an important and growing private rented sector (PRS) that provides affordable housing options for local people. The council realises that the majority of landlords operate professionally, however the council is concerned about increasing levels of unprofessional landlords who let properties, particularly houses in multiple occupation, that fail to meet satisfactory levels of tenancy and property management.</p> <p>There is a growing body of evidence that poorly managed privately rented properties are having a negative effect on neighbourhoods – anti-social behaviour, nuisance neighbours and properties, and accumulations of refuse are just three issues which have been linked to the failure of private landlords to manage properties and tenancies in an effective way. High demand and affordability issues for those residing in the PRS has resulted in overcrowding, sub-letting and illegal conversions with associated elevated levels of ASB and wider neighbourhood nuisance problems. Tenant exploitation is also a growing problem in today's market of high demand which enables even the worst properties to be let.</p> <p>The London Borough of Havering wants to ensure that all private rented homes in the borough offer residents a choice of safe, quality and well managed accommodation. We recognise that in order to achieve this there is a need for a robust and coherent regulatory framework in which this market operates.</p> <p>Havering has identified that problems in the private rented sector of poor property and tenancy management and anti-social behaviour, particularly in relation to houses in multiple occupation (HMOs), are distributed across most parts of the borough. To tackle these issues it recently introduced an Additional Licensing designation in 12 wards</p> <p>The evidence base used in relation to the selection of areas designated under an Additional Licensing scheme related to levels of ASB and crime, or evidence of poor management and facility standards. .</p>

HMO Locations

Information has been provided from checks of the housing benefit system (where credit is paid to individuals in shared accommodation or HMOs known on the Public HMO Register), the public HMO register, Liberty Housing properties, addresses which are suspected of being HMOs based on Tenure Intelligence Model, and data from council tax records for properties of shared accommodation and bedsits. A total of 793 addresses have been considered as part of this data exercise. The distribution and type/category of HMO by ward within Havering is shown in table 1 below.

Table 1

Ward	Benefit s	Council Tax	HM1 – Bedsit HMO's	HM2- Section 257	HM3- Shared House HMO	Public Register (Licensed HMO's)	Liberty Housing	Total	Suspected *(updated TIMS data)	Grand Total
Brooklands	4	11	9	2	5	1		32	57	89
Cranham		1			1			2	6	8
Elm Park	1	3	1		2	7		14	23	37
Emerson Park		1			1		1	3	17	20
Gooshays	6	4					1	11	57	68
Hacton	1	1	3					5	13	18
Harold Wood	1	2			3	4	1	11	30	41
Havering Park	2	5	1		2	3	2	15	27	42
Heaton	5	8	2		2	1	4	22	63	85
Hylands			3		1			4	18	22
Mawneys	1	2	4		1			8	20	28
Pettits	1	3	1				1	6	21	27
Rainham & Wennington	3	2	1	1	3	1	3	14	46	60
Romford Town	4	12	20	4	4	10	1	55	80	135
South Hornchurch	6	7	2		1			16	34	50
Squirrels Heath		2	2		1	4		9	22	31
Saint Andrews		1	3				1	5	19	24
Upminster		1						1	7	8
Totals	35	66	52	7	27	31	15	233	560	793

- HMO Public Register – addresses confirmed and registered as HMOs.
- Benefits List – Properties in receipt of housing benefit identified as HMO/Shared Accommodation not on public register.
- Council Tax List – Properties recorded on council tax register as being HMO/Bedsit/Shared Accommodation
- HM1 HMO – Bedsits – these are known HMOs below the mandatory licence level.
- HM2 HMO – Section 257 – these are known HMOs below the mandatory licence level.
- HM3 HMO – Shared House – these are known HMOs below the mandatory licence level.
- Liberty Housing properties, which are HMOs
- Suspected, unconfirmed HMO – addresses which are predicted HMO's based on Tenure Intelligence Model.

Age: Consider the full range of age groups

Please tick (✓) the relevant box:

Positive (long term benefits)

✓

Neutral

Negative (in the short term)

Overall impact:

Houses in Multiple Occupation are more likely to be occupied by young people under the age of 35 as shared accommodation is often the only type of affordable accommodation available to benefit reliant tenants as a result of housing benefit caps for young people. Many of these individuals are forced to accept accommodation within the private rented sector as they usually have no access to social housing. Better regulation and proactive enforcement of the private rented housing sector will ensure that suitable action is taken against landlords and managers who do not comply with the law or licence conditions. This is expected to help drive bad landlords out of the market which should have the beneficial effect of better quality and well managed private rented housing.

Evidence:

Housing and the quality of housing has a major impact on health and wellbeing of all age groups. Investment in improving poor, overcrowded or inappropriate housing will improve the quality of life of residents and have a preventative effect on future health and social care need.

Table 3- Havering population

2016	Number	Percentage of population (%)
All persons	252,783	100.0
Male	121,456	48%
Female	131,327	52%
0-14 yrs	42,973	17%
15-19 yrs	15,167	6%
20-34 yrs	48,029	19%
35-64 yrs	98,585	39%
65+ years	48,029	19%

Sources used: Havering Data Intelligence Hub / Mid-year population estimates 2016; Office for National Statistics (ONS);

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions							
<div> <div> Please tick (✓) the relevant box: </div> <div> <table border="1"> <tr> <td>Positive</td> <td>✓</td> </tr> <tr> <td>Neutral</td> <td></td> </tr> <tr> <td>Negative</td> <td></td> </tr> </table> </div> </div>		Positive	✓	Neutral		Negative	
Positive	✓						
Neutral							
Negative							
Overall impact: There are a significant number of tenants with mental health disabilities living in HMO' in the private rental sector. The envisaged benefits of better quality shared housing accommodation that is well managed and complies with all relevant standards will have a positive impact on this group.							
Evidence: <p>(1) Previous research has highlighted the relationship between mental health problems and HMOs. Shaw <i>et al.</i>, (1998) note that HMO residents are eight times more likely than the general population to suffer from mental health problems as well as having other problems:</p> <p><i>'These groups [living in HMOs] are more likely to be drug or alcohol-dependent, many have spent their early lives in care, or are ex-prisoners, and have nowhere else to go' (Shaw et al., 1998: 67</i></p> <p>'Within HMOs some of the greatest threats to the mental health of tenants come from the actions of other tenants. Landlords currently have a duty to ensure that the behaviour of tenants in the property does not impinge on the surrounding community but it is not specified that tenants should be protected from the behaviour of other tenants'. (2)</p> <p>'In terms of mental health, preventing ASB in the property will make tenants feel safer and more secure', (2)</p> <p>'current legislation has the potential to contribute significantly to the safety and quality of housing and this is likely to positively affect the mental health of tenants, through creating a sense of safety and security' (2)</p>							
Sources used: <p>(1) Shaw M, Danny D and Brimblecombe N (1998) Health problems in houses in multiple occupation. <i>Environmental Health Journal</i> 106(10) 280-281.</p> <p>(2) Professional Evaluation: Beyond safety to wellbeing: How local authorities can mitigate the mental health risks of living in houses in multiple occupation- Dr Caroline Barratt, Christopher Kitcher and Dr Jill Stewart</p>							

Sex/gender: Consider both men and women	
<div> <div> Please tick (✓) the relevant box: </div> <div> <div>Positive</div> <div>Neutral</div> <div>Negative (short term only)</div> </div> <div> <div></div> <div>✓</div> <div></div> </div> </div>	
Overall impact: No differential impact has been identified on the grounds of this protected characteristic in respect of landlords who may be affected by the licensing proposals and enforced against as it applies equally to all landlords operating in Havering irrespective of sex / gender. Evidence suggests that Houses in Multiple Occupation are twice as likely to be occupied by males, predominantly under the age of 30, as shared accommodation is often the only type of affordable accommodation available to them and they usually have no access to social housing accommodation. Effective enforcement against those landlords who operate poorly managed properties in the worst condition may have the beneficial effect of driving bad landlords out of the market which, in the longer term, should result in increased availability of better quality and well managed bedsit type accommodation. As this enforcement policy will be applied across all private sector housing activity, not just HMO's, the overall impact is likely to be neutral.	
Evidence: Community Safety report using data collected from Havering databases and Metropolitan Police records stated that of all known HMOs in the Borough, 67% were occupied by males.	
Sources used: Data on noise nuisance collated by London Borough of Havering and Metropolitan Police records of reported crime and anti-social behaviour (for period April 2015-March 2016)	

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

Please tick (✓) the relevant box:

Positive

✓

Neutral

Negative (short term)

Overall impact:

There is a significant concentration of migrant households in the private rented sector and in particular in shared HMO accommodation as they are often on low wages meaning low quality homes are the only affordable form of accommodation for a working household.

Vulnerable tenants, such as new arrivals in the country may be more likely to be exploited and affected by poor housing conditions. Overcrowding disproportionately affects migrants.

PRS Tenants within ethnic minority groups are therefore likely to be positively affected by this policy due to better quality accommodation and landlord management practices that will result from better enforcement of the sector. Greater protection from eviction should also result from increased powers to use civil penalties against those landlords who harass or unlawfully evict tenants as these will serve as a deterrent for potential offenders.

The private sector housing enforcement policy applies equally to all landlords operating within the London Borough of Havering irrespective of ethnicity / race therefore this group will not be negatively affected. A range of measures will be implemented in order to support landlords to become more professional in the way they manage their rental properties.

Evidence:

No local data is yet specifically available on the profile of protected characteristics associated with privately managed HMOs. This is because HMOs generally have highly transient occupants and /or data is not available to the council. Some equality profile data specific to the management of HMOs by the council itself is available and is detailed below, however that profile data will not necessarily be consistent with that of the private rented sector and may not show the whole picture due to the complexity of data collection. It is included because it serves as a useful indicative benchmark about several of the protected characteristics.

Equality Profile data for HMOs managed on behalf of LB Havering This data was collected about the profile of tenants who occupy HMOs managed by Liberty Housing in Havering. In respect of the proposed licensing designations subject of this Equality Assessment the data below does not specifically represent the picture for existing private sector HMOs and is referenced solely for guideline purposes.

Ethnicity- Summary Total tenants in sample: 91-		
Black African	8	8.8%
Black Caribbean	8	8.8%
Black other	4	4.4%
Not Known/ no response	6	6.6%
White and Asian	3	3.3%
White and Black African	2	2.2%

Sources used:

This snapshot data represents all tenants responding to survey who were occupying HMOs managed by Havering as at 9 June 2015 sourced from the housing database.

Religion/fait: Consider people from different religions or beliefs including those with no religion or belief

Please tick (✓)
the relevant
box:

Positive

Neutral

✓

Negative

Overall impact:

No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Housing Enforcement Policy will apply equally to all Landlords operating within Havering irrespective of religion / faith.

Evidence: N/A

Sources used: N/A

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓)
the relevant
box:

Positive

Neutral

✓

Negative

Overall impact:

There is no information relating to sexual orientation of landlords.

Additional licensing aims to reduce anti-social behaviour which may benefit people who suffer from homophobic crime and incidents. The overall impact of this policy, however, will be neutral.

Evidence:

There is insufficient data available to measure accurately the potential effect of these proposals in relation to sexual orientation of tenants.

Sources used:

N/A

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth

Please tick (✓)
the relevant
box:

Positive

Neutral

✓

Overall impact:

No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of gender reassignment. Housing advice will be available to any tenant that has been displaced as a consequence of licensing.

Negative		
Evidence: N/A		
Sources used: N/A		

Marriage/civil partnership: Consider people in a marriage or civil partnership		
<i>Please tick (✓) the relevant box:</i>		Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of marriage / civil partnership.
Positive		
Neutral	✓	
Negative		
Evidence: N/A		
Sources used: N/A		

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
<i>Please tick (✓) the relevant box:</i>		Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering. Whilst the property licensing scheme requires landlords to be responsible for ensuring premises do not become overcrowded, enforcement action will not be taken where existing tenants are pregnant or have given birth to a child whilst already occupying a premises, therefore there will be no requirement for landlords to take action to evict tenants that fall within this protected characteristic. However, in many cases tenants falling within this protected characteristic may be eligible and owed a homeless duty by the council's housing service to provide accommodation should a landlord refuse to renew an expired tenancy.
Positive		
Neutral	✓	
Negative		
Evidence: Data recorded on homeless approaches by pregnant women and/ or applicants with dependent children is shown below. Section E2: Applicant households found to be eligible for assistance, unintentionally homeless and in priority need during the quarter, by priority need category		

Table 5

Total households with dependent children	Household includes, a pregnant woman and there are no other dependent children	6. Total applicants
86	11	122

Sources used:

Quarterly P1d Housing Statistical return (1/7/16 to 30/9/16) -from LBH Housing database-homeless approaches

Socio-economic status: Consider those who are from low income or financially excluded backgrounds

Please tick (✓) the relevant box:

Positive in the long term

✓

Neutral

Overall impact:

Vulnerable residents and those on low incomes have found that access to housing appropriate to their needs has been restricted by a lack of affordability and large numbers find themselves living in the worst PRS properties or shared accommodation. Changes to the national welfare system has had a further negative impact on the provision of quality housing options due to displacement of benefit dependent households into cheaper shared accommodation as a result of the Local Housing Allowance rent caps.

Negative in the short term

✓

Greater regulation and enforcement of the Private rented sector, particularly those HMO' that are required to be licensed, may force some landlords to leave the private rented sector altogether which could negatively impact tenants due to a reduction in the supply of HMO's and subsequent increase in evictions and homelessness.

On the positive side, a significant protection that would be provided for assured shorthold tenants is that a s.21 Notice to evict tenants cannot be used by a landlord where a property has not been licensed when it is required to be. The Courts will therefore refuse to issue Possession Orders on that basis and enforcement action will be taken against those landlords who evict tenants unlawfully.

The life chances of residents are closely linked to the quality of their neighbourhoods and their housing accommodation. Better enforcement of the private housing sector seeks to address some of these issues by improving housing conditions and security of tenure, particularly for the poorest tenants, over the longer term.

Evidence:

The council does not have data to demonstrate this expectation, however on the basis of experience of other Councils who have introduced and actively enforced additional licensing, schemes, the effects on tenants sharing this protected characteristic have not been reported to be significantly negative.

Sources used:

N/A

Conclusion

Overall it is anticipated that the introduction of new Private Sector Housing Enforcement Policy is likely to bring about significant benefits to tenant groups with protected characteristics, particularly those who are disadvantaged and who have no alternative to renting a room in a shared house in the private sector.

The main purpose of this policy is to increase compliance with housing legislation and licence conditions through the use of appropriate and proportionate enforcement powers and financial penalties for those landlords who refuse to comply. Improved housing conditions within the private rented sector will benefit all residents and particularly those who have protected characteristics. Making our Borough a safe place to live is a top priority for Havering Council and the ability to operate a robust but fair system of enforcement in conjunction with the additional HMO landlord licensing scheme will support this vision.

Vulnerable groups will also benefit from overall improvements in management standards due to the ability of the council to effectively enforce housing standards.

The Equality Assessment has identified that the majority of tenants will benefit from an active enforcement policy. The Council proposes to launch a major publicity campaign before the effective date of the Licensing scheme to make tenants and landlords aware of their rights and obligations and what tenants can do if threatened with eviction. It is intended that any significant penalties or prosecutions resulting from enforcement activity in this area will also be widely publicised to act as a deterrent to potential offenders.

Specific actions are set out in more detail in the action plan below.

Overall it is considered that the benefits of this initiative far outweigh any negative impacts to groups with protected characteristics.

.

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action to be taken to mitigate impact*	Intended outcomes and monitoring**	Timescale of actions	Lead officer
Socio-economic status	Low income/benefit dependant households	<p>This Enforcement Policy will be beneficial to all private sector housing tenants as housing standards should improve as a result of effective enforcement against non compliant landlords.</p> <p>Enforcement against landlords who unlawfully evict tenants will be taken to discourage landlords from exploiting vulnerable tenants in this way. Some tenants should benefit from greater security of tenure as a result.</p>	Private tenants to be supported if there are negative consequences arising from the council's enforcement approach	From effective date of the additional licensing scheme (01/03/17) and ongoing	Public Protection Manager

Review

A review of this EIA will be carried out periodically in order to ascertain if there has been any significant negative impact upon groups with protected characteristics.

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CABINET

Subject Heading:

Havering Brownfield Register

Cabinet Member:

Councillor Damian White

Deputy Leader and Cabinet Member for Housing

SLT Lead:

Steve Moore

Director of Neighbourhoods

Report Author and contact details:

Lukas van der Steen, 01708 432 522,
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Policy context:

Town and Country Planning (Brownfield Land Register) Regulations 2017

Town and Country Planning (Permission in Principle) Order 2017

Planning and Compulsory Purchase Act 2004

Housing and Planning Act 2016

National Planning Policy Framework 2012

London Plan 2016 (Consolidated with Alterations since 2011)

Proposed Submission Havering Local Plan 2017

Financial summary:

The Council has been provided funding (circa £0.015m) by the DCLG to provide additional resources in order to complete the statutory requirements.

Is this a Key Decision?

Yes

(c) Significant effect on two or more Wards

When should this matter be reviewed?

Not applicable

Reviewing OSC:

Towns and Communities

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

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

The preparation, maintenance and publication of the Brownfield Land Register (hereafter: the Brownfield Register) is a new legal requirement that was introduced by the Housing and Planning Act 2016, with the required process set out in the Town & Country Planning (Brownfield Land Register) Regulations 2017.

This report sets out a proposed list of sites to be included on the Havering Brownfield Register. The list is a consolidation of sites with Planning Permission and those that are set out within the evidence base for the Proposed Submission Havering Local Plan as agreed by Cabinet and Council in July 2017. All of the sites proposed for inclusion within the Register are already in the public domain.

This report is seeking approval to publish the draft list of sites as Part 1 of the Havering Brownfield Register, and to seek delegated authority for the Assistant-Director of Development, in consultation with the Cabinet Member for Housing to review and maintain Part 1 of the Havering Brownfield Register.

It is not proposed to include any sites in Part 2 of the register at this stage.

RECOMMENDATIONS

That Cabinet:

- i. Agree to the draft list of sites (located in Appendix 1) to be published as the London Borough of Havering Part 1 Brownfield Land Register;
- ii. Agree to publish the London Borough of Havering Part 1 Brownfield Land Register on the Council website, and to publish the London Borough of Havering Part 1 Brownfield Land Register on a London-wide website hosted by the Greater London Authority; and
- iii. Delegate authority to the Assistant Director of Development in consultation with the Cabinet Member for Housing to sign off, review and maintain the London Borough of Havering Part 1 Brownfield Land Register.

REPORT DETAIL

Introduction

The Town and Country Planning (Brownfield Land Register) Regulations 2017 (hereafter: the Regulations) require Local Authorities to publish a Brownfield Register by 31 December 2017. This requirement was first announced in the

Housing and Planning Act 2016, and is part of the Government's wide-ranging initiatives to secure the delivery of more homes.

What is a Brownfield Register?

Brownfield registers are intended to provide up-to-date, publicly available information on brownfield land that is suitable for housing. This will improve the quality and consistency of data held by local planning authorities, which will provide certainty for developers and communities, encouraging investment in local areas. In turn, this should assist in securing the delivery of more new homes.

Brownfield registers must include all brownfield sites that meet the relevant criteria (see below) irrespective of their planning status. The register should be reviewed on an annual basis as a minimum.

The Regulations state that the Register may consist of two parts. Part 1 is a comprehensive list of all brownfield sites in a local authority area that are suitable for housing.

Brownfield registers will also be a vehicle for granting Permission in Principle (PiP) for suitable sites where authorities have followed the relevant procedures. If the authority considers that permission in principle should be granted for a site the local authority is required to enter that site in Part 2 of their register

Only Part 1 of the register is mandatory, with Part 2 being optional.

The recommended Havering Brownfield Register

To comply with the Regulations, the Havering Brownfield Register will only need to consist of Part 1, as Part 2 is optional. It is not proposed to include any sites on Part 2 of the Havering Brownfield Register at this stage. However, the Council can consider if it wants to progress Part 2 in future.

How sites have been selected for inclusion in Part 1 of the Havering Brownfield Register

Brownfield land is land that has previously been developed, as defined in the National Planning Policy Framework.

Besides being brownfield land, the criteria in relation to each parcel of land to be included as set out in the Regulations are:

- the land has an area of at least 0.25 hectares or is capable of supporting at least 5 dwellings;
- the land is suitable for residential development;
- the land is available for residential development; and
- residential development of the land is achievable (development is likely to take place within 15 years).

In addition to the above local authorities are required to have regard to the Development Plan, national policies and advice, and any guidance issued by the Secretary of State.

Havering's Brownfield Register will comprise of:

- Sites that have planning permission (or are awaiting a decision)
- Sites (without planning permission) identified within the evidence base for the Havering Local Plan as approved by Cabinet and Council in July 2017.

This approach assures that the inclusion of sites in the Havering Brownfield Register is based on a robust assessment, as well as consistency with the Havering Local Plan.

The Havering Brownfield Register is a consolidation of sites that are already within the public domain.

How the Havering Brownfield Register will be published?

The Havering Brownfield Register will be made available through the Council's website. It will contain a spreadsheet listing all the sites of the register, supported by a digital map which will show the location and boundaries of the sites.

The spreadsheet will contain multiple columns providing detailed information about each site. These include: site reference, site address, site size, ownership status, deliverability, planning status, permission type and date (if relevant), the minimum net dwellings, a description of the development and a description of non-housing development. A comprehensive overview of the data fields to be included is provided in Appendix 2.

The Greater London Authority (GLA) is providing London Boroughs with the opportunity to publish their brownfield registers as part of a London-wide map and register.

This promotes the availability and transparency of data. It is recommended that Havering's data is shared with the GLA for inclusion on the London-wide map and register.

The Register will be kept up to date and will be reviewed on an annual basis (as a minimum) as required by the Regulations. It is recommended that the preparation and publication of updated versions be delegated to the Assistant Director for Development in consultation with the Cabinet Member for Housing.

REASONS AND OPTIONS

Reasons for the decision:

It is a statutory requirement for the Council to prepare, maintain and publish a register of suitable brownfield sites. It is therefore not an option not to produce one.

Other options considered:

The Council could choose to grant sites Permission in Principle by including a Part 2 to the Havering Brownfield Register. This option has been rejected as it will be more suitable to follow the granting of Permission in Principle to sites on the forthcoming preparation of the Site Specific Allocations Local Plan.

The Council could choose to have a more elaborate procedure to include sites into the Havering Brownfield Register, including consultation arrangements. This option has been rejected as this is not compulsory for entering sites in Part 1. In addition, the preparation of the Havering Brownfield Register draws on the same evidence base as the Proposed Submission Havering Local Plan on which consultation has recently taken place.

IMPLICATIONS AND RISKS

Financial implications and risks:

The preparation of the Brownfield Register is over and above the departments established work programme. The Council has been provided funding (circa £0.015m) by the DCLG to provide additional resources in order to complete the statutory requirements.

DCLG have committed to future years funding to maintain the Register and will advise of the funding amounts in due course.

There are no further financial risks to this decision.

Legal implications and risks:

The Town and Country Planning (Brownfield Land Register) 2017 Regulations (the Regulations) place a duty on local planning authorities which have responsibility for housing development in their area, to prepare, publish and maintain a register of previously developed land (known commonly as brownfield land) which is suitable for residential development.

The Regulations are made under section 14A of the Planning and Compulsory Purchase Act 2004 of the 2004 Act, which was inserted by section 151 of the Housing and Planning Act 2016.

The Regulations makes provision for two Brownfields Registers, known as Part 1 and Part 2. Additionally the Regulations include, an in principle provision that relates to land allocated in Part 2 of such registers for a new planning consent route known as 'permission in principle' – in particular in relation to permission in principle granted when land is allocated in a register under section 14A of the Planning and Compulsory Purchase Act 2004 (brownfield land register). There is at this stage no intention by the Council to publish a Part 2 list.

In accordance with the Regulations, the Council is required to publish a Part 1 Brownfield Land Register by 31 December 2017, as set out in the Town and Country Planning (Brownfield Land Register) Regulations 2017. Although there currently are no sanctions in place for local authorities who miss this deadline, it cannot be ruled out that sanctions will be imposed at a later stage.

Human Resources implications and risks:

Once in place, the Havering Brownfield Register will need to be reviewed annually (as a minimum). It is anticipated that this work will be undertaken by existing staff resources. If additional resources are required this will be paid for by the funds from DCLG (refer to Financial Implications and Risks).

Equalities implications and risks:

A full Equalities Impact Assessment was undertaken of the Local Plan as set out in the Cabinet and Council reports for the Proposed Submission Havering Local Plan in July 2017. There are no equalities implications arising from this Cabinet report and decision.

BACKGROUND PAPERS

None

Appendix 1 – Proposed sites to be included in Part 1 of the Havering Brownfield Register (for delivery over a 15 year period)

Sites with Planning Permission/ Awaiting Decision			
Site Reference	Site Address	Planning Status	Minimum Net Dwellings
P0975.10	Former Oldchurch Hospital site (west), Romford	Development underway	63 (remaining)
P0649.09	Land adjacent to 15-21 Squirrels Heath Road, Romford	Development underway	9
P1451/10	Land to the East of Gooshays Drive, Harold Hill	Development underway	30 (remaining)
P1918.11	Site at Roneo Corner, junction of, Romford	Development underway	48 (remaining)
P0439.15	Moreton Bay Industrial Estate, Hornchurch	Development underway	42
P1914.11	64 South Street, Romford	Development underway	9
P0909.16	Phase 2B, Former Harold Wood Hospital, Romford	Development underway	136
P1047.12	Land rear of 222 - 223 Brentwood Road, Romford	Development underway	9
P0074.13	Land adjacent to 20 & 25, Surridge Close, Rainham	Development underway	6
P1146.09	166 Upminster Road, Upminster	Development underway	9
P1210.15	1 Kilmartin Way, Hornchurch	Development underway	18
P0382.15	Briar Road Shop Site, Romford	Development underway	46
P1526.07	Interwood Site, Hornchurch	Development underway	45
J0015.16	29-33 Victoria Road, Romford	Approved	11
P1241.15	Pinewoods Public House, St. Johns Road, Romford	Approved	32
J0012.16	St Edwards Court, London Road, Romford	Approved	97
P0923.16	Rainham Wall Engineering, New Road, Rainham	Approved	46
P1549.16	Ashbrook Nursing Home, 217-219 Chase Cross Road, Romford	Approved	35
P1295.13	Former Harold Wood Hospital Phase 4a, Harold Wood	Approved	55
P1419.15	Lexington Way Garage Block, Upminster	Approved	12
P1304.14	37 - 39 Manor Road, Romford	Approved	9
J0014.15	Enterprise House, Eastern Road, Romford	Approved	12
J0026.15	Chaucer House and Hexagon House, Western Road, Romford	Approved	115

P1158.14	168-170 & rear of 166 Hornchurch Road, Hornchurch	Approved	4
P0922.15	Dover's Corner industrial estate, New Road, Rainham	Approved	394
P1020.12	69 Oldchurch Road, Romford	Approved	34
P0047.14	Former Mardyke Estate Phase 4, Rainham	Approved	87
N0026.17	Former Somerfield Depot, Rainham	Approved	497
P1131.15	Harold Wood Hospital Phase 2A	Approved	109
P0960.16	75 North Street, Hornchurch	Approved	44
	Beam Parkway NR068B	Approved	14
P1220.14	Old Windmill Hall Site	Approved	22
P0459.16	St George's Hospital, 117 Suttons Lane, Hornchurch, (RM12 6RS)	Approved	279
P0782.17	A1306 Site NR11	Approved	24
J0016.16	Neopost House, South Street, Romford	Approved	112
P2031.16	White Hart Lane Scheme, Collier Row	Approved	16
P1058.17	Beam Parkway NR02/03	Approved	77
P1292.15	23-55 North Street, Romford	Awaiting decision	100
P1443.15	Angel Way Retail Park, Romford	Awaiting decision	350
P1229.17	Beam Parkway NR08	Awaiting decision	62
P1241.17	Beam Parkway NR10	Awaiting decision	62
P0947.17	Beam Parkway NR09	Awaiting decision	207
P1239.17	Beam Parkway NR06A	Awaiting decision	35
P1604.17	Beam Parkway RW4B	Awaiting decision	187
P1057.17	Beam Parkway NR04/05	Awaiting decision	110
P1242.17	Beam Park [SSA11], New Road, Rainham	Awaiting decision	754
P1701.17	Former Rainham Library and offices, 7 Broadway, Rainham	Awaiting decision	57
P1859.17	The pompadours PH, Edenhall Road, Harold Hill	Awaiting decision	21
P1389.17	Former Romford Ice Rink	Awaiting Decision	620
Sites identified in the Local Plan evidence base			
17160052	Bridge Close Estate	Potential Development Site	930
17160098	Napier and New Plymouth House, Dunedin Road	Council Regeneration Site	103, 200 (gross)
17160415	Delderfield House, Portnoi Close, Romford	Council Regeneration Site	16 (30 Gross)
17160416	Dell Court, Ravenscourt Grove, Hornchurch	Council Regeneration Site	11 (40 Gross)
17160417	Brunswick Court, Brunswick Avenue, Upminster	Council Regeneration Site	3 (50 Gross)
17160418	Queen Street, Romford	Council Regeneration Site	5 (36 Gross)

17160419	Solar, Serena and Sunrise, Sunrise Avenue, Hornchurch	Council Regeneration Site	145 (200 Gross)
17160420	Royal Jubilee Court, Main Road, Romford	Council Regeneration Site	71 (150 Gross)
17160421	Delta T.M.O, Elvet Avenue, Romford	Council Regeneration Site	287 (350 Gross)
17160422	Oldchurch Gardens, Rush Green, Romford	Council Regeneration Site	216 (300 Gross)
17160423	Maygreen Crescent, Hornchurch	Council Regeneration Site	107 (201 Gross)
17160424	Waterloo Road Estate, Romford	Council Regeneration Site	1081 (1366 Gross)
	Farnham, Hilldene	Council Regeneration site	63
17160059	Brooklands House and Detection House, Brooklands Approach	Potential Development Site	64
17160084	Como Street Car Park	Potential Development Site	160
17160146	37-59 High Street, Romford	Potential Development Site	88
17160200	Matalan, North Street, Romford	Potential Development Site	100
17160248	Station Gateway and Interchange Romford	Potential Development Site	670
17160265	Mudlands Industrial Estate, Rainham	Potential Development Site	320
17160311	Upminster Station Car Park	Potential Development Site	110
17160335	Romford Gas Works	Potential Development Site	471
17160361	Station Parade	Potential Development Site	96
17160360	Tadworth Parade	Potential Development Site	96
17160398	Victoria Hospital, Romford	Potential Development Site	56
17160414	Former Harold Hill Library	Potential Development Site	21
17160430	Suttons Site, A1306	Potential Development Site	160
17160432	Angel Way and High Street Area	Potential Development Site	300
17160450	A1306 Site NR7	Awaiting decision	76
	Quarles Campus	Potential Development Site	150

Appendix 2 – Data to be included in the Havering Brownfield Register¹

Data field	Description
Organisation URI	To identify the Local Authority within whose area the parcel of land lies.
Organisation Label	The name of the local authority that is identified using the Organisation URI.
Site Reference	A reference applied by the local authority to identify a site.
Site Name Address	The name and address of a site, which should be sufficient to describe its location.
Site plan URL	A URL to a web page giving a site plan for the site.
Coordinate Reference System	The Coordinate Reference System that is used for the fields 'Geo X' and 'Geo Y'.
Geo X	Longitude or east grid reference for the visual centroid of the site boundary.
Geo Y	Latitude or north grid reference for visual of application boundary.
Easting	Easting of the site.
Northing	Northing of the site.
Hectares	The size of the land in hectares.
Ownership Status	The ownership status of the land. One of: <ul style="list-style-type: none">• owned by a public authority• not owned by a public authority• mixed ownership• unknown ownership
Deliverable	To indicate if the land is 'Deliverable'.
Planning Status	To indicate the stage, if any, that has been reached in the planning process for the site. One of: <ul style="list-style-type: none">• permissioned• not permissioned• pending decision
Permission Type	The latest type of permission that has been granted on the site.

¹ Source: Brownfield Land Registers Data Standard: Preparing and publishing a register (DCLG, 2017)

Permission Date	The date permission was granted for the permission set out in the field 'Permission Type'.
Planning History	Links to webpages giving information about the planning history of the site.
Minimum Net Dwellings	The minimum net number of dwellings that the local authority estimates the site should support.
Development Description	A description of any proposed housing development.
Non Housing Development	A description of any proposed non-housing development
Notes	General information about a site and its entry on the register (optional).
First Added Date	The date that the site was first added to the register.
Last Updated Date	The date that information about the site was last updated.
Planning Authority	Indicate which planning authority the site belongs to.

CABINET

17 January 2018

Subject Heading:

Submission Procedural Requirements for the Havering Local Plan

Cabinet Member:

Councillor Damian White

Deputy Leader and Cabinet Member for Housing

SLT Lead:

Steve Moore

Director of Neighbourhoods

Report Author and contact details:

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Lauren.miller@haverling.gov.uk

Policy context:

National Planning Policy Framework (2012)

London Plan 2015 (consolidated with Alterations since 2011)

A City for all Londoners: London Mayor (2016)

Havering Vision – Havering - Making a Greater London (2017)

Havering Local Development Framework (2008)

Financial summary:

There are no direct financial implications as a result of the recommended modifications to the Local Plan.

Is this a Key Decision?

No

When should this matter be reviewed?

Not applicable

Reviewing OSC:

Towns and Communities

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

Communities making Havering

[x]

Places making Havering

[X]

Opportunities making Havering

[x]

Connections making Havering

[x]

SUMMARY

The purpose of this report is to:

- outline progress on the Havering Local Plan since the publication in August and September 2017 (under Regulation 19); and
- secure Member approval for a number of material modifications to the Proposed Submission Havering Local Plan in preparation for submission of the Plan to the Secretary of State

RECOMMENDATIONS

That Cabinet endorse and make the following recommendations to Council.

That Council:

- (i) Agree that the material amendments as set out in section 3.1 of this report, be made to the proposed submission documents, and to the proposed Submission Havering Local Plan
- (ii) Delegate authority to the Director of Neighbourhoods, following consultation with the Cabinet Member for Housing, to make and approve the final wording of the material amendments to the proposed Submission Havering Local Plan, and to the proposed submission documents for submission to the Secretary of State;

REPORT DETAIL

1. Purpose and content of this report

1.1 This report is to:

- outline progress on the Havering Local Plan; and

- secure Member approval for a number of material modifications to the Proposed Submission Havering Local Plan in preparation for submission of the Plan to the Secretary of State

1.2 The report:

- Sets out the reasons why approval is sought to make material modifications to the proposed Submission Havering Local Plan
- Outlines the contents of the proposed material modifications to be made to the Proposed Submission Havering Local Plan

2. Public Consultation

- 2.1 In July 2017 Council agreed to publish the Proposed Submission Version of the Local Plan and supporting evidence base for statutory consultation. The consultation took place between 7th August and 29th September 2017.
- 2.2 In total there were 129 respondents raising 466 comments. Over the course of the preparation of the Local Plan 83 sites located within the Green Belt have also been submitted to the Council for potential release.
- 2.3 The underlying purpose of a consultation is to identify any additional information or views of which the council was previously unaware so as to enable members of the public to be fully engaged in the preparation of the Local Plan.
- 2.4 As a result of the consultation, certain additional information emerged. In particular, a number of gypsy and traveller families, who had previously declined to cooperate with the Council, provided detailed information to enable their needs to be assessed. As a result, and in accordance with the Council's overriding duty to plan to meet all the objectively assessed need in its area, and for the local plan to have a robust evidence base, it is felt appropriate to allocate a number of additional sites where gypsies and travellers are already in occupation (i.e. no new sites that are currently unoccupied) but where their needs are now capable of proper assessment.
- 2.5 Furthermore, the additional information and views expressed during the consultation have given rise to the need to modify the plan in a number of detailed technical respects. These proposed modifications do not alter the fundamental thrust and approach of the Havering Local Plan.
- 2.6 The council has received Counsel's advice as to whether or not each of these proposed modifications should be regarded, in planning terms, as "material" or "non-material". The Council's previous resolution of July 2017 delegated authority to the Director of Neighbourhoods in consultation with the Cabinet Member for Housing to make "non-material" modifications. However, no

provision was made for the making of “material” modifications. Accordingly, the Council has been advised that it is prudent to seek appropriate Council authority to make such modifications. The resolution set out in this report indicates the scope of the “material” modifications which it is necessary to make to the Local Plan prior to its final submission to the Secretary of State. Members should note that the resolution does not disturb the previously granted delegation to the Director of Neighbourhoods to make the necessary “non-material” modifications.

- 2.7 This matter comes before Members as a matter of some urgency since the Council is currently without an up-to-date adopted local plan. The necessary conclusion of budgetary matters in the months ahead means that the time available to the Council to give consideration to matters relating to the local plan is necessary limited. It is therefore sensible to consider and determine this resolution at the council meeting due to be held in January 2018 in order that officers can finalise the local plan, submit it to the Secretary of State and begin the process of detailed preparation for the Independent Examination. Members will be aware that in the preparation of the Local Plan it would be prudent to be conscious of the ongoing preparation of the London Plan.

3. Proposed material modifications

- 3.1 Accordingly it is recommended that the following material modifications are made to the Proposed Submission Documents in preparation for submission to the Secretary of State:

Note: The commentary below reflects advice from Counsel advising the Council on the preparation of its Local Plan. More detailed explanation in respect of the modifications can be found in appendix 1 (which is to follow).

- i. Explicit support for the use of brownfield land for residential development apart from land that has already been protected for other uses such as industrial.
- ii. Subject to proposals being compatible and respecting the existing local character of the area, support for residential development around stations
- iii. Explicit support for the use of the River Thames for freight and transport
- iv. A lower level of affordable workspace to be sought (reduced from 20% to 10%) to reflect concerns raised through the consultation about the viability of such a requirement.
- v. Updated Gypsy and Traveller provision to reflect the additional need identified through the interviews that have been secured following the consultation period. The allocation of sites at Church Road and Willow Tree

- Lodge for continued Gypsy and Traveller use in order to meet the additional identified need. (nb – these sites are already occupied)
- vi. Flexibility for development proposals to provide the appropriate mix of housing sizes (number of bedrooms)
 - vii. Provision to ensure that development proposals enhance the biodiversity and water quality of the River Rom.
 - viii. Provision to ensure that such development does not adversely impact on biodiversity and green infrastructure
 - ix. Provision to ensure that all Major Development proposals are supported by a Health Impact Assessment that includes consideration of Active Design as set out in Sport England and Public Health England's Active Design Guidance
 - x. Support the growth potential of the borough in logistics activities
 - xi. Refinement to the employment land policy provisions to better reflect the requirements of the national planning policy framework
 - xii. Updated position on planned education provision
 - xiii. Updates to the proposals map to ensure that it accurately reflects the Local Plan following consultation
 - xiv. Additional evidence base support the protection of the Green Belt
 - xv. Additional evidence base to justify the approach to housing delivery.

4. Next Steps

- 4.1 Subject to the approval of the material modifications above, officers will now finalise the Havering Local Plan Submission Documents and prepare for formal Submission to the Secretary of State. It is envisaged that Submission will take place by the end of February 2018 at the latest.

REASONS AND OPTIONS

Reasons for the decision:

A number of modifications are required to be made to the Havering Local Plan following the consultation period and in preparation for the submission of the Havering Local Plan to the Secretary of State.

The Council's previous resolution of July 2017 delegated authority to the Director of Neighbourhoods in consultation with the Cabinet Member for Housing to make "non-material" modifications. However, no provision was made for the making of "material" modifications. Accordingly, the council has been advised that it is prudent to seek appropriate Council authority to make such modifications.

Other options considered:

The Havering Local Plan could be submitted without the recommended modifications. This option has been rejected as it would increase the risk of the Local Plan being found unsound during the Examination in Public.

IMPLICATIONS AND RISKS

Financial implications and risks:

The recommendations stated within this report have no direct financial implications.

The Local Plan is being delivered through funding identified of a Planning Delivery Grant, external funding and Directorate budgets. In addition there is the potential use of the Business Risk Reserve to the value of £166,200.

There is a risk that appropriate costs exceed the funding provision available for this plan, and any overspend would therefore need to be funded by the Council.

Legal implications and risks:

It is a statutory requirement for the Council to have a Local Plan in place and ensure it is relevant. The statutory provisions under which a Local Plan is made are within the Planning and Compulsory Purchase Act 2004 (as amended) and regulations made under the Town and Country Planning (Local Planning) (England) Regulations 2012 and the Environment Assessment of Plans and Programme Regulations 2004. To not prepare a Local Plan runs the risk that the Secretary of State will 'step in' and prepare a Local Plan for the borough.

The Proposed Submission version of the Local Plan has been the subject of an assessment of the legal implications and risks in the original report to Cabinet dated 19 July 2017 and those legal comments do not alter as a result of this request to Cabinet and then full Council.

The Cabinet and consequently the Council is being asked to approve the making of material modifications to the Havering Borough Council draft Local Plan that is to be submitted to the Secretary of State.

The Local Plan should be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. The Council has recently completed the Regulation 19 consultation process, and as a result of consideration of the consultation responses, the amendments outlined in this report are requested.

The Local Plan is then to be submitted to the Secretary of State for examination, along with the Sustainability Appraisal, evidence base and a statement of representations and main issues in line with Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012. Whilst the National Planning Policy Framework does not compile a prescriptive list; the evidence should be focused tightly on supporting and justifying the particular policies in the Local Plan.

It is important that the Council submit as sound a Local Plan as is possible, which includes taking into account the consultation responses. Following submission of the Local Plan to the Secretary of State an Independent Inspector will assess the plan to determine whether it has been prepared in line with section 20 of the Planning and Compulsory Purchase Act 2004 and Regulations 23 – 24 of the Local Plan Regulations 2012. If the Inspector considers that the Local Plan has not been prepared in accordance with the Regulations then the Inspector may direct the Council to repeat part of the pre-submission process or start the process again. Exceptionally, under Section 21(9)(a) of the Planning and Compulsory Purchase Act 2004 the Secretary of State has the power to direct a local planning authority to withdraw its submitted plan.

The risk of legal challenge will be avoided if Havering's Local Plan meets the objectively assessed needs of the Borough and the evidence is consistent with and has regard to the statutory framework and the requirements of the National Planning Policy Framework.

The draft Local Plan and process undertaken to date, has been reviewed by Counsel and is considered to meet the statutory requirements as set out in these tests for consultation.

Human Resources implications and risks:

A full Human Resources Assessment was undertaken of the Local Plan as set out in the Cabinet and Council reports for the Proposed Submission Havering Local Plan in July 2017. There are no further human resources implications arising from this Cabinet report and decision.

Equalities implications and risks:

A full Equalities Impact Assessment was undertaken of the Local Plan as set out in the Cabinet and Council reports for the Proposed Submission Havering Local Plan in July 2017. There are no further equalities implications arising from this Cabinet report and decision.

BACKGROUND PAPERS

None

CABINET

17 January 2018

PUBLIC AGENDA REPORT

Subject Heading:

**12 HRA Sites JV Procurement –
Entering into a Limited Liability
Partnership**

Cabinet Member:

Councillor Damian White - Deputy Leader
of the Council and Cabinet Member for
Housing

SLT Lead:

Steve Moore
Director of Neighbourhoods

Report Author and contact details:

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Programme Director Regeneration
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Policy context:

Havering Housing Strategy 2014-2017

HRA Business Plan 2017-2047

National Planning Policy Framework 2012

London Plan 2011

*Havering Local Development Framework
and Romford Area Action Plan 2008*

Romford Development Framework 2015

*Havering Proposed Submission Local
Plan 2017*

Financial summary:

The report seeks Cabinet approval in principle to invest a maximum of £63.3m of capital expenditure into a Limited Liability Partnership to deliver the regeneration of 12 Housing Revenue Account (HRA) sites. This investment is contained within the HRA and is in addition to the Approved HRA Capital Programme 2017/18 to 2019/20. The bulk of this investment would be in the form of HRA land, the net value of which is currently estimated at £59.7m (all 12

sites), with the remaining £3.6m as cash funding. The report also requires a budget of £50.5 m in respect of land assembly/ CPO costs to enable the Council to provide vacant possession. It will therefore require consideration and approval by Full Council. Therefore, subject to Cabinet/Council approval of the recommendations within this report, the scheme will be included in the proposed capital programme to be considered as part of the 2018/19 HRA budget process and will be subject to approval of the Capital Programme and Treasury Management Strategy in February 2018.

A total revenue surplus for the HRA of £51.7m is forecast as a result of this regeneration scheme after meeting capital financing costs of borrowing. Although a deficit of £0.3m will be incurred over the first year and will require HRA revenue resources to support it until net income streams are generated. An estimated capital receipt of £63.3m is expected to be realised at the end of the scheme.

The financial details are contained within the exempt agenda report.

Is this a Key Decision?

Yes

When should this matter be reviewed? January 2019

Reviewing OSC:

Towns and Communities

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

Communities making Havering [✓]
 Places making Havering [✓]
 Opportunities making Havering [✓]
 Connections making Havering [✓]

SUMMARY

1. In June 2016 and October 2016, Cabinet received reports regarding increasing the amount of affordable homes through the HRA and a Review of Older Persons Housing. As a result of the information provided to Cabinet the 12 sites for

regeneration were identified and agreed along with the prioritisation of the sites within the programme.

2. In the reports to Cabinet identified above, information was provided on the extensive consultation process that had commenced with residents on the estates and how the feedback had been used to shape the final proposals being put forward. Since October 2016 the consultation process has continued with tenants and residents of the sites and has been extended to include residents who are neighbouring the sites. This report provides Cabinet with a full update on the consultation process.
3. In those reports, officers also provided Cabinet with information on the review of procurement processes to deliver such a programme across the 12 initial sites (“the 12 Sites”) and consequently, officers commenced the procurement of a Joint Venture Partner via an OJEU compliant process (as implemented by the Public Contracts Regulations 2015) through competitive dialogue.
4. This report informs Cabinet of the outcome of that process and is seeking approval from Cabinet on the award of Preferred Bidder status to the highest scoring bidder to enter the confirming commitment stage to finalise the terms of the contract and also to award and enter into the contract on the basis set out in this report.
5. This report also summarises the rationale for this venture and provides information on the consultation and procurement processes. It also details the intended outcomes of the initiative and the legal and financial implications. More detailed information is contained within the Council’s Business Case which is appended to this report and in the Exempt Agenda Report.
6. Cabinet is asked to recommend to Full Council the Council’s contribution to the cost of delivering the scheme, noting the significant regeneration for the 12 sites, the contribution towards Havering’s target for housing delivery, including the provision of new affordable homes for local people, and the expected financial returns.

RECOMMENDATIONS

That Cabinet:

1. **Approve** the inclusion of a budget of £63.3m equity for the scheme together with a budget of £50.5m for potential land acquisition/CPO costs within the proposed HRA capital programme that will be considered by Cabinet in February 2018 in the annual rent setting and capital programme report and this is recommended to Council for final approval in February 2018.
2. **Agree** to award Preferred Bidder status to BIDDER C.

Subject to the approval of the required budget and funding at recommendation 1 above, that Cabinet:

3. **Agree** to establish a JVLLP for the purpose of meeting the Council's regeneration objectives for the 12 HRA sites by entering into a Members' Agreement with BIDDER C on the basis of the Business Case and Legal Summary contained in the Exempt Agenda Report.
4. **Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the authority to agree the name of the JVLLP, negotiate the final detailed terms of the agreements being entered into, and authority to agree that the Council enter into the following agreements:
 - Members' Agreement;
 - Development Agreement;
 - Any ancillary agreements or documents necessary to give effect to the setting up of the JVLLP in accordance with this Report and its appendices (including the Legal Summary appended to the Exempt Agenda Report).
5. **Authorise** the JVLLP to enter into the Development Management Agreement with BIDDER C when in agreed form.
6. **Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to finalise agreement on the terms of the Development Management Agreement referred to in recommendation 5 on behalf of the Council as Member of the JVLLP established in accordance with recommendation 4.
7. **Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to approve the first Business Plan of the JVLLP on behalf of the Council.
8. **Authorise** the disposal of land to the JVLLP on the terms set out in this report, subject to the approval of the Secretary of State where required, (as detailed in the *Land disposal* paragraphs of the Legal Implications section of this report) and **agree** to delegate authority to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, the authority to finalise the terms of such disposals.
9. **Authorise** the Director of Neighbourhoods to consider the appropriation of land for planning purposes, subject to agreement of the Secretary of State, to facilitate the redevelopment of the 12 Sites and **approve** an application to the Secretary of State for appropriation under section 19(2) of the Housing Act 1985 and potentially appropriate back to housing purposes all or part of the land as may be considered appropriate in due course. (The precise areas of land to be appropriated to be decided by the Director of Neighbourhoods).
10. **Recommend** to full Council to make an application to the Secretary of State, where required, for the disposal of property and land (the precise areas of land to be decided by the Lead Member for Housing after consultation with the Director of Neighbourhoods) under section 32(2) of the Housing Act 1985.
11. **Note** the updated Consultation and Engagement strategy as detailed in paragraphs 9.1 to 9.13 of this report.

- 12. Note** the updated Equalities Impact Assessment as referred to in the Equalities Implications section of this report.
- 13. Note** the update provided to Cabinet in the Local Lettings Plan report as it relates to these decisions.
- 14. Agree** to delegate to the Lead Member for Housing, after consultation with the Director of Neighbourhoods, authority to approve the consultation and communication plans for the regeneration of the 12 HRA Sites.
- 15. Authorise** the Director of Finance to provide state aid compliant investment of equity/loans/capital expenditure the JVLLP within the funding provided in the Capital Programme and in accordance with the business plan and on the terms set out within the Member's Agreement.
- 16. Agree** to delegate to the Leader, after consultation with the Chief Executive, the appointment of nominees to represent the Council on the JVLLP Board and indemnify them under the Local Authorities (Indemnities for Members and Officers) Order 2004 once the JVLLP has been set up.
- 17. Agrees**, subject to approval of the over-arching Governance Report on the operation of the 12 Sites, Rainham and Bridge Close schemes, to the proposals for resolution of any Reserved Matters set out in such report.
- 18. Note** the governance framework and staff resources required to develop and deliver the 12 Sites and other economic development schemes also presented for consideration and approval by Cabinet in January 2018.

REPORT DETAIL

1 Background

- 1.1 On 15th June 2016 the Council's Cabinet agreed to the development of new council housing across an initial tranche of 12 housing sites, and instructed officers to commence consultation, and to initiate the procurement of a development partner. The overarching vision for the programme is to successfully establish vibrant and connected communities, supported by the provision of good quality new homes, tenure diversity, high quality public spaces, and well-used community facilities within safe and secure environments where people want to live and participate in local activities.
- 1.2 The intention is for the Council to establish a long term development partnership to facilitate a programme of estates renewal with an experienced private sector development partner (PSDP). The strategy is designed to use the increased value of the land through intensification of estates and higher house prices to off-set the cost of the provision of new affordable homes.

- 1.3 A requirement of the project is for the Council to retain the long-term freehold of the land, retain management of the affordable housing, jointly deliver the new developments and to aim to double the amount of affordable housing on the estates. In addition, a set of objectives were set prior to the procurement of the PSDP that were to be used to guide the entire procurement process:

The Council's objectives for the programme are:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use; to provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account (HRA) stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should also aim to deliver additional HRA rented units to the level of existing stock on estates previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing "all tenure" stock levels, thereby achieving over 40% affordable housing across the 12 sites. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Increased affordable housing numbers to help mitigate the homelessness pressures in the General Fund.
- Improve the viability within the Asset Management Strategy by reducing the cost of maintaining existing poor viability buildings.
- The freehold of the land is expected to remain in Council ownership (except any freehold properties built for outright sale) (though naturally long leases will be granted to purchasers of units built for open market sale).
- Where tenants wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

- 1.4 In October 2016 it was reported to Cabinet that officers would start the procurement of the PSDP via a process called competitive dialogue. This commenced in March 2017 with soft market testing leading to the start of a formal OJEU compliant process in May 2017.

- 1.5 This report provides Cabinet with information on the outcome of the procurement exercise along with additional information on the setting up of the proposed JVLLP. The Business Case appended to this report contains more detailed information to support this Cabinet report.

2 Summary of previous decisions

- 2.1 The regeneration of the 12 Sites and provision of new housing, including affordable housing and housing for older persons are Council policy as set out below:

Havering Draft Local Plan 2017

- 2.2 At its July 2017 meeting, Council approved the Proposed Submission Havering Local Plan for publication and consultation under Regulation 19 of the Regulations prior to submission to the Secretary of State. This includes the 12 sites for regeneration and housing delivery. The Local Plan emphasises the importance of ensuring infrastructure, including education and local health facilities and also the provision of affordable housing. The 12 sites are referenced in the Housing Position Statement 2017. The Housing Position Statement document is a key part of the evidence base of the Local Plan and is an important part of the assessment into the 'soundness' of the Local Plan. It addresses how Havering will ensure there are enough homes in the borough in line with the London Plan requirements. It looks at matters including housing delivery supply, need and tenure. It makes explicit reference throughout to the significant role and contribution that the Council's Estates Regeneration programme will have in ensuring there are enough homes in the borough and our residents have the opportunity to live in high quality places as part of settled and inclusive communities.

Romford Development Framework 2015

- 2.3 The Romford Development Framework approved by Cabinet in July 2015 forms part of the evidence base for the emerging Havering Local Plan. The Framework indicated delivery within five years, i.e. by 2020. The Waterloo Estate is within this area and will facilitate the delivery of the wider regeneration of Romford

Romford Housing Zone June 2016

- 2.4 Cabinet agreed to accept Housing Zone status for Romford from the Greater London Authority (GLA). Included within the zone is Waterloo Estate. Whilst the original bid identified the delivery of a modest 220 new homes through infill development, full regeneration of the site partly funded by Housing Zone funding from the GLA, is set to deliver a minimum of 1100 homes.

Rainham and Beam Park Housing Zone

- 2.5 This was the first of the areas in the borough to achieve the status of a housing zone with the GLA. This area will be transformed into a new community called Beam Park. Of the 12 sites, Napier and New Plymouth, is in the Housing Zone and will help deliver the vision for the regeneration of the area.

12 HRA Sites Regeneration programme

- 2.6 Various reports have been presented to Cabinet over the last two years regarding the use of existing estates to increase housing and affordable housing provision within the borough:
- a strategy to increase affordable rent by up to 30% on the 12 Sites.
 - an overall increase in affordable housing provision across the twelve sites by over 100% by providing in excess of 300 low cost affordable homes.
 - authority to start the procurement of a private sector partner to deliver the Council's vision for the 12 Sites through a competitive dialogue process

- delegation of authority to start to procure existing freehold and leasehold properties by negotiation and take reasonable steps to identify land which cannot be acquired by negotiation and appoint the relevant consultants in order to assess the need for a potential Compulsory Purchase Order (CPO).
- authority to start the decant process for existing tenants on the estates including the service of demolition notices.
- approval to enter into extensive consultation with residents regarding the regeneration of estates and the detail of the decant offer.

Review of Older Persons Housing

- 2.7 Reports have been presented to Cabinet in 2016 identifying the need for improvements in the older persons housing provision in Havering. The review identified the over-provision of standard sheltered housing in the borough despite the anticipated increase in number of older and frailer people in the borough. It identified the need for more extra care sheltered housing and provision for those suffering with dementia plus the option for purchase. It also identified that a large amount of the existing provision was not to the standards required for providing modern housing within which adequate levels of care could be provided. The 12 Sites project is helping to deliver that vision.

Havering Housing Strategy 2014-17

- 2.8 The Housing Strategy identifies the need for the provision of all forms of housing and in particular the need to provide affordable homes for local people taking account of the supply and demand data that is available. This project is a key part in improving the supply of new homes that are affordable to local people.

Homelessness Strategy and Allocation Policy

- 2.9 The current homelessness strategy is a sub-strategy of the Housing Strategy. It is now being reviewed as part of the work needed to prepare for the impacts of the Homeless Reduction Act 2017. However, there is an identified need for the provision of affordable homes that meet the needs of vulnerable people who live in the borough at rents they can afford. In addition, we know that there are opportunities to enable existing tenants to move into low cost home ownership properties, thus freeing up affordable rent properties. .

HRA Business Plan 2017 – 2047

- 2.10 The HRA 30 year Business Plan is reported to Cabinet annually as part of the rent setting and budget setting process each February. In addition, an update of the plan was presented to Cabinet in November 2017 identifying the potential impact of delivering the 12 estates programme. Whilst the HRA can support the delivery of the new build via the JVLLP, there is an additional identified need to re-provide new affordable rental units in the HRA because of the financial impacts of the number of homes lost through Right to Buy. In addition, the provision of new housing enables the spending of RTB receipts on new homes thus avoiding repayment to the DCLG at a penal rate of interest.

Asset Management Strategy 2016

- 2.11 The latest review of the Asset Management Strategy and Plan presented to Cabinet in 2016 identified several poorly performing assets in the portfolio. These properties essential drain money out of the HRA as they cost more to maintain than

the income provided through the use of the asset. The worst performing properties are removed through this project.

3 The 12 Sites

- 3.1 The Housing Regeneration programme comprises 12 sites identified in the table below. These are the initial sites identified as offering the greatest potential for the provision of new affordable homes or requiring intervention due to the costly or unacceptable quality of housing. The Council intend, where appropriate, to bring forward further sites for inclusion in the JVLLP at a future date.
- 3.2 Waterloo Estate, Napier and New Plymouth, Oldchurch Gdns, Delta TMO and Farnham, Hildene and Chippenham are all General Needs housing, or council housing for all ages. Maygreen Estate is a General Needs estate but with the inclusion of Park Lane Sheltered Scheme. Queen Street, Solar, Serena and Sunrise, Royal Jubilee Court, Brunswick Court, Dell Court and Delderfield are Sheltered Schemes.

Site Name	Ward	Rented homes	Leasehold Homes	Total Homes
Waterloo Estate	Romford Town	171	73	244
Queen Street	Romford Town	31	0	31
Napier and New Plymouth	S. Hornchurch	86	11	97
Solar, Serena and Sunrise	St. Andrews	55	0	55
Maygreen Estate	Hylands	88	23	111
Oldchurch Gdns	Brooklands	64	22	86
Delta TMO (Elvet Ave)	Squirrels Heath	45	18	63
Farnham, Hildene and Chippenham	Gooshays	0	0	0
Royal Jubilee Court	Pettits	79	0	79
Brunswick Court	Cranham	47	0	47
Dell Court	St Andrews	29	0	29
Delderfield	Pettits	14	0	14
Total		709	147	856

Existing number of homes to be demolished.

Note 1: Waterloo Estate contains 12 hostel places – not included above.

Note 2: 114 long term empty sheltered homes as not fit for purpose.

- 3.3 One of the reasons for including the sheltered schemes in the programme was that many of the homes were poor quality or bedsit accommodation and hard to let. In all, across the sheltered schemes above, there were 114 vacant properties leaving 595 tenanted council homes on the 12 sites included in the programme. Of those 595 occupied homes, 181 were sheltered homes and 414 were general needs homes. In addition, on the General Needs sites (not sheltered), some homes had been lost through the Right to Buy. Across the estates there were 147 leasehold or freehold properties. The total number of permanent homes on the sites is 856.

- 3.4 The Council undertook initial capacity studies for each of the sites. These indicated strong potential to substantially increase the number of homes across the sites whilst at the same time maximising the opportunities for regeneration and place shaping. Indicative numbers of new homes identified at this stage are set out below:

Site Name	Ward	Rented homes	LCHO/sales	Total Homes
Waterloo Estate	Romford Town	237	863	1,110
Queen Street	Romford Town	7	27	36
Napier and New Plymouth	S. Hornchurch	150	50	200
Solar, Serena and Sunrise	St Andrews	60	140	200
Maygreen Estate	Hylands	100	100	200
Oldchurch Gdns	Brooklands	100	200	300
Delta TMO (Elvet Ave)	Squirrels Heath	45	305	350
Farnham, Hilldene and Chippenham	Gooshays	0	63	63
Royal Jubilee Court	Pettits	45	105	150
Brunswick Ct	Cranham	15	35	50
Dell Court	St Andrews	20	20	40
Delderfield	Pettits	15	15	30
Total		794	1,925	2,719

Capacity Study – potential number of homes.

- 3.5 The numbers above became the base-line requirement for the programme. At the high level, the total rented homes of 794 is further split down to 674 general needs rented homes and 120 extra-care sheltered rented homes. When compared to the numbers above, this is an increase in general needs homes of 63% and a decrease in sheltered homes of 34% (supported by the Older Persons Housing Review)
- 3.6 The additional requirement for the procurement exercise was to provide in excess of 300 low cost home ownership homes, which are also classified as affordable housing. Adding this to the 794 rented homes gives a total of 1094 affordable housing to be provided across the 12 sites: an overall increase of 84%. These figures are summarised for comparison in the table below:

	Now	Future	Change
Total number of homes	856	2719	+318%
Occupied General Needs homes	414	674	+63%
Occupied Sheltered rented homes	181	120	-34%
Low Cost Home Ownership	0	300	+300
RTB losses	147	0	-147
Total occupied affordable homes	595	1094	+84%

- 3.7 The target of providing 30% of all new homes as affordable is currently standing at 30% with the target split of 50:50 rent to low cost home ownership (LCHO) currently at 46:54 in favour of LCHO. It is anticipated these numbers will achieve the targets set following further negotiation with our PSDP.

	Target	Achieved
% of additional homes that are affordable	30%	30%
Affordable homes proportion (rent:LCHO)	50:50	46:54

- 3.8 One of the principles to be tested through the procurement exercise was the level to which the market would be able to increase the baseline number of homes on the sites, whilst keeping within reasonable density levels, and the extent to which more affordable homes could be delivered. The base-line was built into the procurement objectives.
- 3.9 Due to the size of the potential development on all 12 sites and the decant and financial viability issues it would not be practicable to start work on all sites simultaneously. It was therefore proposed that the following 4 sites are prioritised:
- Waterloo Estate
 - Queen Street (part of the Waterloo Estate).
 - Napier & New Plymouth
 - Solar, Serena & Sunrise Court
- 3.10 Whilst these four sites are only 25% of the total sites, they would provide nearly 50% of the total new housing via this project. The next phase of sites to be brought forward will be reviewed once the JVLLP has been set up. The prioritisation of sites agreed at Cabinet in October 2016 was as follows:
- Waterloo Estate,
 - Queen Street Sheltered Scheme,
 - Napier and New Plymouth,
 - Maygreen Estate,
 - Park Lane Sheltered Scheme (part of Maygreen Estate),
 - Oldchurch Gardens,
 - Farnham, Hildene and Chippenham Road
 - Solar, Serena and Sunrise Sheltered Scheme.
- 3.11 From this priority list the first phase of sites is Waterloo Estate (including Queen Street Sheltered Scheme), Napier and New Plymouth and Solar, Serena and Sunrise. The next phase will be chosen from the above list and will be subject to an assessment of financial viability.
- 3.12 Part of the procurement process is to establish a set of metrics that will be used to assess the value for money for the costs of construction on the further sites as they are brought forward. Each bidder is aware that the parameters that they submit for the first four sites will be set and used to assess the delivery of the future sites.
- 3.13 As the dialogue sessions progressed solutions have been sought from each bidder to show how value for money will be achieved throughout this relationship. The first key principle established is that the Council is a joint member of the board and will

see all costs and revenues associated with the contract. Secondly, each bidder has identified that they intend to procure, through formal tendering processes, all works packages and these will be reported to the JVLLP board for acceptance.

4 Rationale for the proposed JVLLP and for the procurement method

4.1 The rationale for the preferred procurement method was reported to Cabinet in October 2016. The advantages of a “Competitive Dialogue” process for the delivery of 12 discrete sites across a number of areas in the borough were and remain:

- Ability to shortlist and limit the number of bidders to participate in the tender through a prequalification process evaluating their financial standing, technical ability and experience.
- The minimum number of candidates to be invited to participate in the competitive dialogue stage would be three bidders.
- Competitive Dialogue is an iterative process, and can have multiple elimination stages to reduce the number of bidders/bids before calling for final tenders.
- Where there is an elimination stage, this involves a tender submission and an evaluation against pre-disclosed criteria and weightings.
- The competitive dialogue procedure permits the Council to negotiate with the bidders during the tender phases.
- Once the dialogue stage is concluded, the Council call for final tenders. Those tenders should "contain all the elements required and necessary for the performance of the project".
- Once the final tenders have been evaluated, there is a further opportunity to confirm commitments and finalise terms with the leading bidder (also called the preferred bidder) before the Council formally awards the contract.

4.2 There tends to be two methods for delivering large projects of this nature. They are; the recognised “Contractual Approach” where a development partner is appointed and a variation of this approach called the “Corporate Approach” where the authority would become a shareholder in a new Joint Venture vehicle (either an LLP or a company) with the Private Sector Developer Partner.

4.3 One of the critical deciding factors in deciding on the JVLLP approach was the level of control the Council wants over the developments both in terms of the number and type of homes built and the look and feel of the estates that are provided. The JVLLP approach allows the Council to exert a higher level of control and be more confident in the final delivery as they would be equal partners in the design of the estates rather than just exerting control through a purely contractual process or through the planning process. In addition, in the long term the land remains in the ownership of the Council (except for any freehold properties built for outright sale).

5 Procurement process and results

5.1 The overall project board set up to oversee this project was set up mid-2016 as the project was being reported to cabinet in June 2016. The procurement process is a major work-stream within the project. The timescales were designed to ensure that the process was rigorous enough to identify the right partner to deliver this

project as well as one that would encourage the widest interest and participation from the industry.

- 5.2 The procurement of works/services relating to the site regeneration is subject to the European Procurement Regime, as implemented in England by the Public Contracts Regulations 2015 (as amended) and the Concession Contracts Regulation 2016, necessitating a procurement process following the publication of an OJEU notice. The procurement was conducted under Concession Contracts Regulation 2016 as they were considered to apply given the JVLLP partner's investment and risk share.
- 5.3 There needed to be a strong understanding of the key issues involved in establishing regeneration vehicles such as a JVLLP, both legally and commercially. This includes awareness of the changing needs of the market, changing market conditions and Government policy context.
- 5.4 In order to properly steer the procurement, a significant amount of external support and challenge was sought. Firstly to review the assumptions made by officers in their initial assessment of the viability of the project and secondly to guide the procurement process itself.
- 5.5 One of the first activities completed after the October 2016 Cabinet was the procurement and appointment of a specialist multi-disciplinary consultancy team to lead on site due diligence and procurement of a joint venture development partner. This team comprised:
- Savills – Professional Team lead and advisors
 - Tibbalds and PCKO – Architectural, Planning and Design advisors
 - Gardner & Theobald – Cost Consultants.
 - Bevan Brittan – Legal Advisers.
- 5.6 The role of this team includes:
- Develop a detailed understanding of the Council's priorities and constraints for this programme,
 - Deliver a 'Competitive Dialogue' process in accordance with EU procurement law principles following the approach of the competitive dialogue process to procure a private sector development partner (PSDP), who will deliver the estate renewal programme in partnership with the Council,
 - Ensure the development opportunity is attractive to potential partners, commercially viable, and enabled the Council to secure the right commercial deal, mitigating risk and financial exposure,
 - Ensure Council priorities of increasing and maximising the supply of new mixed tenure housing, including replacing the existing amount of affordable housing currently on site are achieved,
 - Help to achieve additional value through wider regeneration that supports growth and sustainability, including improvements to the public realm, new schools, health and community facilities, providing opportunities for new businesses, alongside employment, skills and training,

- Ensure that the Council optimises the value of its assets which may include generation of capital receipts and income streams, while securing best consideration where this is required,
- Provide expert and timely advice, support and leadership throughout the project life cycle.

5.7 The commission fell into two phases:

- Phase 1: (Due Diligence):- review of existing proposals to establish suitable and commercially viable development proposals that were attractive to the Market and form a base case for achieving the Council priorities stated above.
- Phase 2: (Competitive Dialogue Procurement):- managing the Competitive Dialogue procurement to secure a suitable long term development partner

5.8 The procurement panel also drew on senior officers from across Havering and OneSource. The panel comprised Senior Housing Officers, OneSource Finance Officer, OneSource Procurement, Savills, and Bevan Brittan. This panel representation ensured that the procurement process drew on external professional expertise regarding development and regeneration, legal, commercial, procurement and housing expertise as well as local knowledge and technical HRA and General Fund expertise.

5.9 All of the financial aspects of the project were built into a financial dashboard used to identify the key financial inputs and outputs, including inputs from the HRA Business Plan. This financial modelling was reviewed and quality assured by KPMG as an external assessor. This organisation was procured by OneSource Finance and has been retained for further financial advice including tax advice.

5.10 The procurement process, with key dates is set out in summary below:

No.	Stage	Start	End	Participants
1	Concession notice published	12/05/17	12/05/17	52
2	Selection Questionnaire (SQ) period	12/05/17	13/06/17	10
3	SQ evaluation period	13/06/17	28/06/17	
4	ITPD period	30/06/17	11/08/17	6
5	ITPD evaluation period	14/08/17	11/09/17	
6	ITCD period	13/09/17	24/11/17	3
7	ISFT period	24/11/17	07/12/17	3
8	Final tender evaluation period	07/12/17	18/12/17	
9	Cabinet report for selection of preferred bidder	17/01/18	17/01/18	1
10	Final agreement of legal documents	23/01/18	22/02/18	1
11	Full Council approval of funding	21/02/18	21/02/18	
12	Formal signing of contract	22/02/18	22/02/18	1
13	Issue of contract award notification and start of 10 day stand-still period	23/02/18	09/03/18	1
14	Award of contract	10/03/18	10/03/18	

- 5.11 Once a preferred bidder has been selected, there will be a period for confirmation of commitments of the documentation to finalise the contract. On the successful completion of the preferred bidder stage the Council will then be in a position to decide to award the contract to the preferred bidder. If the Council proceeds to award then it will debrief unsuccessful bidders and conduct a 10 day standstill period prior to signature and concession award notice being placed in the OJEU. The future dates in the table above are projected dates and subject to Cabinet approval of the recommendations in this report and completion of activities and formal approvals after Cabinet.
- 5.12 The summary from the ISFT documentation provided to all three bidders (attached as **Appendix 1**) identifies the requirements for the final submissions from the three bidders. Many of the requirements were covered during the dialogue process. The Appendix also shows the weighting and scoring criteria that the procurement panel used.
- 5.13 The weighting identified in table 1 of **Appendix 1** shows the tender has been assessed 70% on the qualitative submission (criteria 1-6) and 30% on the commercial submission (criteria 7 legal and criteria 8 financial).
- 5.14 The anonymised outcomes from the scoring exercise are as follows:

Bidder	Total Score
Bidder A	65.25%
Bidder B	64.50%
Bidder C	84.00%

- 5.15 Based on these scores, the bidder with the highest score and who has demonstrated that they are best positioned to enter into the JVLLP with the Council is BIDDER C.
- 5.16 The full scoring matrices and additional information regarding the process are included within the Exempt Agenda Report papers.

6 Programme

- 6.1 Following the activities identified in paragraph 5.10 and 5.11 above, the key milestones that will drive the project going forward are set out in the table below. The detailed project programme, including public engagement and consultation, will be reported regularly through the Council, Housing Services and the JVLLP's governance arrangements.

Key anticipated milestones (first four sites)

Milestone	Anticipated date
Cabinet approval to establish a joint Venture Limited Liability Partnership.	January 2018
Council approval of Capital funding	February 2018

Approval of legal agreements including JVLLP Business Plan	February 2018
Cabinet approval of Compulsory Purchase Order resolution	June 2018
Viability review of remaining sites and agreement of phasing	Summer 2018
Submission of 1 st planning application	Summer 2018
Determination of 1 st planning application	January 2019
Vacant possession of sites	September 2019
Potential Start on Site	September 2019
First completions	May 2021
Scheme complete	January 2027

- 6.2 The competitive dialogue process has required selected shortlisted bidders to negotiate the terms of the agreement during the second dialogue stage. However, at the point at which the leading bidder is awarded “preferred bidder” they will have an opportunity to confirm commitments to finalise the proposed contractual arrangements prior to a final award decision.

Legal documents

The legal work on the structures and legal agreements will require further work during the confirming commitment stage to ensure the detail of the final submission documents are enshrined within final version documents that are satisfactory for the Council and Preferred Bidder to formally sign to enter into the JVLLP. This should require minimal changes to the documentation already provided.

Design work

This work was carried out during the tender stage and was indicative to inform the final bid. A lot of work was put into this by the bidders and partners, including initial discussions with Havering Planning Officers. However, all bidders are aware that these designs are indicative and the process of consultation with residents and neighbours of the sites will now commence to properly inform any final designs that are used in the planning process and final planning application.

Financial appraisal

The outcome of the procurement process has effectively set financial parameters that must now be adhered to by the preferred bidder as they enter into the design consultation stage in respect of the four initial sites. Items such as build costs,

margins, overheads, future sales revenues, funding arrangements etc. have been bid and accepted. However, this will now need to be reviewed in the light of the detailed work to be carried out on the design of the new developments mentioned in the above paragraph (during the operation of the joint venture). Items such as final numbers of units to be built, precise requirements for the infrastructure and potential additional acquisition of neighbouring land to enhance the development opportunities will now all need to be reworked and input into the financial models.

7 Development Parameters

- 7.1 Work will begin on the detailed development proposals for the first four sites, Waterloo Estate (including Queen Street), Napier and New Plymouth and Solar Serena Sunrise once funding for the JVLLP is agreed. This will be quickly followed by new viability assessments (as part of the operation of the JVLLP once established) on the remaining sites to identify numbers of new homes to be provided on those sites
- 7.2 As part of the consultation process undertaken with existing residents, a firm commitment has been given that they will be involved in the design stage for the new sites. The commitment has been given that the successful bidder will work with the residents on the four sites to shape how the new developments will look. Each of the bidders is skilled in resident engagement techniques and has confirmed this approach during the dialogue meetings. This engagement and consultation process is over and above the formal planning consultation process.
- 7.3 Although the detailed design process is yet to commence, it has been essential to set indicative parameters in order to undertake the financial appraisal which underpins the business case for entering into the JVLLP. The key outcomes based on current modelling are envisaged to be:
- In excess of 2,719 new homes.
 - Including a minimum of 42% affordable homes
 - On larger developments there is to be commercial floor space, likely to be flexible workspace and small retail/ leisure;
 - New and modern public realm experiences including modern waste disposal, public art, increase biodiversity linked to indigenous species.
 - New play and recreational space to be provided.
 - Consideration to be given to the provision for health, education, leisure facilities, transport etc. as part of the regeneration and place shaping process.
 - Consideration to be given to links with other developments in the surrounding areas and looking for joint delivery of infrastructure.
 - Significant social value contributions from the scale of the developments.

8 Ensuring delivery of infrastructure

- 8.1 The Council's involvement in the decision making of the JVLLP provides the ability to ensure that the delivery of social infrastructure is a prime objective of the regeneration activity as well as a planning requirement.
- 8.2 The baseline appraisal from Housing Services for the first four sites requires the delivery of over 40% of affordable housing for local people. This is in response to

our responsibilities as a stock-owning local housing authority and Registered Provider.

- 8.3 The use of Housing Revenue Account resources is a cost-effective way of delivering affordable housing. The Housing Revenue Account will retain all income from the properties as well as retaining ownership of the land other than where freehold housing is developed and sold.
- 8.4 The use of the HRA reduces risk in terms of financial planning by guaranteeing a purchaser for a significant number of properties.
- 8.5 The Council will also use its role in the JVLLP to negotiate inclusion of any key infrastructure requirements required not just on these developments but as a contributor to wider regeneration that is happening.
- 8.6 The JVLLP will make significant s106/CIL contributions to the Council. The allocation of these resources is a separate decision making process by the Local Planning Authority.
- 8.7 The nature and location of facilities to meet rising demand for primary health services or education facilities will be matters for the Clinical Commissioning Group to consider as part of its Primary Care Capacity Plan for Havering and for the local authority in its strategic education planning role. These organisations will be fully involved as the detailed planning for the developments take shape so that any requirements can be taken into account.
- 8.8 In the longer term, there is an expectation that the Council will be the freeholder of the entire developments (excluding any freehold disposals) and therefore have a greater level of control over the future stewardship of the new development and management of the new estates.

9 Consultation and resident engagement

- 9.1 The extensive consultation, for all residents on the affected sites, reported to Cabinet in October 2016 has continued:
 - To date, 82 site specific meetings have been held, including resident meetings and neighbour meetings for those affected by the housing regeneration programme.
 - A total of 61 site specific newsletters have been issued to date which detail the information provided. They also respond to site specific issues raised by residents in and between consultation meetings and provide a FAQs section.
 - 72 site specific meetings have been held in the sheltered schemes being retained.
 - There have been in excess of 2,100 attendees at the site specific meetings.
 - In addition to the site specific webpages, the *Building New Homes for Havering* is now active, giving residents and members access to updates and advice regarding the regeneration programme, and sub-programmes including the decant activity and compulsory purchase orders.

- Two additional staff briefings have been held since October 2016, updating staff on the progress of the programme and giving them an opportunity to gain an understanding of the journey we are taking residents, our customers, on.
- The regeneration programme has a continuous feature in the quarterly magazines *At the Heart* and *Sheltered Times*. In spring 2017, we released a Special Regeneration Edition, which updated all Housing Services' tenants and leaseholders on the Regeneration Programme.
- Social media postings have been used throughout the programme to update stakeholders on consultation meetings and project milestones.
- A stand was available at the 2017 Havering Show to discuss the regeneration programme with local people.
- In October 2017, Havering launched the Local Lettings Plan and Regeneration Decant Policy and Possessions Procedure Consultation enabling tenants to voice their views on both documents via an online survey.
- To date, consultations have been led and carried out by Council staff. Once the JVLLP has been established a joint approach to consultation, resident engagement and social cohesion that will allow us to create the sustainable communities on the new estates. The Council will remain the lead for this activity.
- Intensive support and reassurance continues to be provided on a one to one basis for any resident and their families worried about the renewal programme and potential decant process.
- A decant satisfaction survey records the outcome of the decanting process from the tenants' point of view.
- Specific information provided for leaseholders.

The offer to tenants

- 9.2 Every tenant on the 12 Sites has been offered and, the majority accepted, the opportunity to have a one to one meeting, at which their family is encouraged to be present. This meeting is designed to provide a comfortable environment to enable residents and family to ask any questions they may have about the programme and also for the tenant to provide the council with information needed to identify where they would want to move to as part of the decant process. This information is used to populate a "Decant Assessment Form" which is then signed by the tenant as a true record of their decant requirements. This process has proved to be a good way for the tenants and their families to engage in the entire process and for the council to fully understand how we can best support tenants through what is accepted to be a very stressful process.
- 9.3 The main issue is for the Council to be able to find suitable alternative accommodation for existing tenants. It is for this reason that the decant assessment form referred to above is so important. The offer made to tenants has been shaped over the many consultation events and is:
- Two reasonable offers of accommodation will be made.
 - The offers will be based on housing need.
 - All information regarding need will be taken account of in making matched offers.
 - Offers will be made through direct allocation and not via the bidding system.

- All verified information provided by the resident regarding need and requirements will be taken into account.
- Location of offer will be matched as far as possible to preferred location of tenant but will be subject to availability.
- All reasonable out of pocket expenses will be met via the disturbance payment process.
- We will take into account the wishes of the tenant where possible if this is outside of requirements identified as “housing need”.
- A one off statutory home loss payment of £6,100.

9.4 Havering are also offering an additional support package to make the process of moving easier. The help given to tenants includes using Council approved contractors to:

- organise the move including packing belongings, but not unpacking.
- unpacking can be provided to those who are most vulnerable.
- supply and fit new carpets and curtains chosen from a range of reasonably priced options
- disconnect and reconnect cookers, washing machines and similar equipment
- the above work is carried out at no cost to the tenant.

9.5 In addition, tenants can organise:

- post redirection
- water, gas and electricity and other utilities to be disconnected and reconnected
- and Havering will pay the reasonable cost of such work.

9.6 Paragraph 10.3 below shows progress with regard to offering and moving tenants on the first 4 sites to new homes.

Local Lettings Plan

9.7 The Local Lettings Plan is the document that provides full details on the re-housing options for those tenants who have to move off the sites because of the regeneration proposals. Associated with this document is the Decant Policy and Possession Procedure document. The council carried out a twelve week consultation process on these documents so that residents could have a further opportunity to give their views on the “offer” within the documents. The consultation was promoted in At the Heart, Sheltered Time and Living publication; during the estate open meetings, one to one sessions, social media posts, and direct letters to tenants on the affected sites. Comments received outside of the online survey have also been taken into consideration. This was the subject of significant consultation prior to it being uploaded onto the Council website in November 2016. This document has been used to inform the decants and buy backs that have been carried out, thus far by negotiation. However, as the timetable moves closer to the deadline for achieving vacant possession of the sites, the formal consultation exercise is being carried out ahead of any formal possession proceedings.

9.8 The Local Lettings Plan report containing detailed information on the consultation process is also on the agenda for January 2018 Cabinet.

The offer to leaseholders and freeholders

- 9.9 At each event with residents, information is also provided for leaseholders who are impacted. The offer for them is that we will buy the properties back from them as inevitably on these sites the properties were first purchased under the RTB system. Full information on the take up of the offer is provided in the Vacant Possession update in paragraph 10.4 below.
- 9.10 The Council is offering to buy back residential properties on the sites at a fair market valuation. Havering is working with three local agents who will provide “independent” valuations on properties so that negotiations can agree a contract price to achieve vacant possession. In the event that a valuation cannot be achieved, the owner can obtain their own independent valuation to help negotiations. The Council must offer a fair market valuation as failure to agree a price will ultimately result in a CPO situation. In such a circumstance, the valuation made by the District Valuation Service will be set at fair market value and the Council must be seen to be acting fairly. In addition the Council must pay a 10% compensation payment for resident owners and 7.5% for absentee owners.
- 9.11 At each of the sites that are under-going regeneration residents have been encouraged to set up a more formal Resident Group. This group is to be chaired by a resident with administrative support from the Havering tenant engagement team. The resident group themselves would set the agenda and officers attend to provide updates and any information requested as well as taking back information to inform the programme. The groups were also intended to challenge officers to ensure information is provided in an understandable manner and accessible format.
- 9.12 The Council has also appointed TPAS to provide independent and free advice to the residents. TPAS have provided contact details so that any resident can contact them for independent advice. At the contract meeting held with TPAS towards the end of October 2017, the following update was provided:
- Seven calls have been made to TPAS via this service. The main issues raised with TPAS are:
 - Quality of void works being done before decanting takes place
 - Delays on payments been received
 - Problems achieving out of borough moves
 - Recharges for void works
 - TPAS provided comparison information with a similar service they have been providing elsewhere. The Freephone service has taken more than 600 calls compared to the 7 for Havering in the same period of time which TPAS says reflects the quality of the information and engagement work being carried out in Havering.
- 9.13 A full update on the dates of consultation meetings and number of attendees is reproduced in the Business Case at Appendix 8.11 attached to this report.

10 Vacant possession update

- 10.1 Across the first 4 sites to be developed there are a number of existing residents. They will either be tenants or leaseholders/freeholders. The following tables

provide details on the occupancy of the sites at the start of this process back in June 2016 when Cabinet gave its agreement to move forward with the regeneration programme.

10.2 The decant process has been informed by the extensive consultation with residents and is being carried out via direct offers of accommodation based on the decant assessment form completed with every tenant. This details the type of property that would meet the needs of the tenant and their household. Offers of suitable accommodation are based on housing need, not on a like for like basis. Two offers of suitable accommodation are being made to tenants via this route. Failure to accept either of these properties will, in the course of time result in a more formal approach to obtain possession. However, even whilst the more formal route is being pursued, officers will continue to work with tenants to make the two reasonable offers.

10.3 The table below shows progress on decanting tenants from the four initial sites since January 2017 when the decanting process started. Queen Street and Solar, Serena, Sunrise are sheltered schemes. (As at 1st January 2018).

Site	Tenancies Oct 2016	Tenancies decanted	Tenancies matched	Tenancies remaining
Waterloo Estate	171	58	4	109
Queen Street	28	28	n/a	0
Napier/New Plymouth	86	51	3	32
Solar, Serena, Sunrise	30	4	4	22

10.4 The table below shows progress in relation to the negotiated purchase of leasehold and freehold homes on the first phase sites. (As at 1st January 2018). There are no leasehold properties in sheltered schemes as the RTB does not apply.

Site	Total fhld/lhld	Properties purchased	Under negotiation	Fhld/Lhld remaining
Waterloo Estate	71	24	24	23
Napier/New Plymouth	10	4	2	4

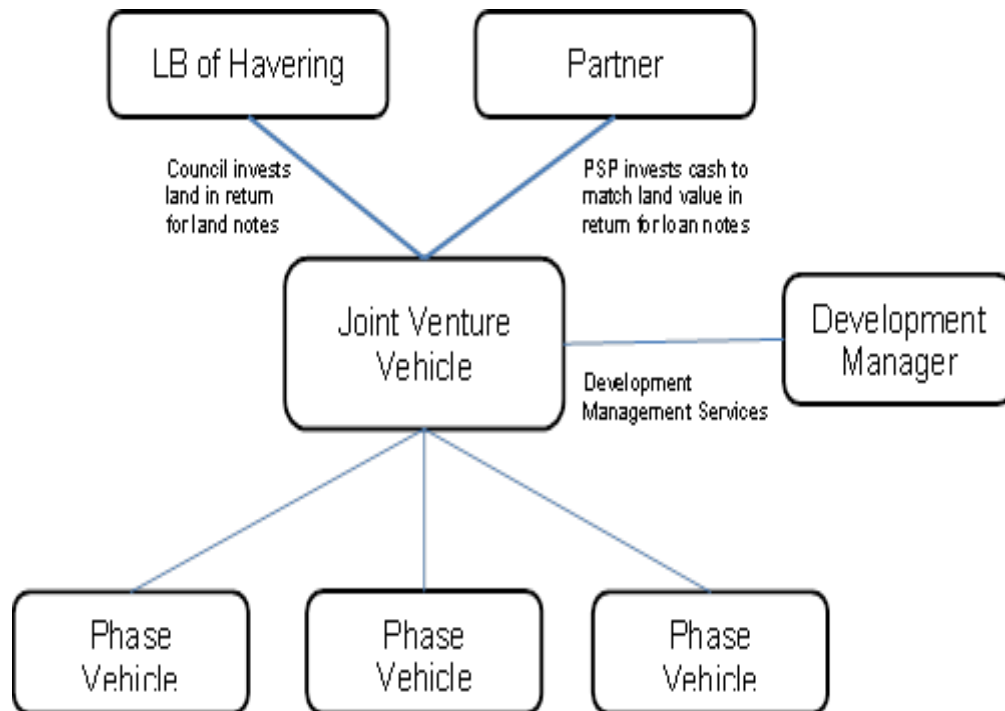
11 Joint Venture Limited Liability Partnership Structure and Funding

11.1 The overall JVLLP structure and governance arrangements are represented in the diagram below. The detail is set out in the draft Members' Agreement and summarised in the Legal Summary contained in the Exempt Agenda Report. The key principle is that this is a 50:50 shared liability vehicle where both parties put in equal amounts of funding and receive equal returns.

11.2 The funding for the JVLLP will be directly from the HRA and there will be no General Fund monies required for this partnership.

11.3 The funding proposal for the JVLLP is that both parties will provide equity up front and the JVLLP will then find third party debt to fund the remainder of the costs. The ratio of equity to debt is 30:70. As each partner is required to put in the same

amount of equity, both parties will be providing 15% of the total funding required as equity, thus making up the 30% required initially.



11.4 Under the proposed structure the Council will remain the freehold owner of the Sites and thereby be entitled to the receipt of ground rents. Depending on the preferred bidder's funding structure there will be either the grant of a Building Lease or Licence to give the JVLLP the right to enter the relevant Site to build the affordable housing. Once that housing has been built the Lease/Licence will come to an end and the Council will continue to own and manage such housing. Long leases will be granted to tenants of the shared ownership units but the Council will continue to retain the freehold reversionary interest of those units.

11.5 The position is similar for the units on the Sites that will be built for open market sale, thereby subsidising the building of the affordable units. As with the shared ownership units, long leasehold interests will be granted to individual purchasers, though here responsibility for the management of such units will principally lie with the JVLLP.

12 Risk Management

12.1 The financial and legal risks associated with the decisions requested in this report are addressed in sections below. Moving forward, there will be a number of means by which the Council, as JVLLP member, should ensure robust and effective risk management including, but not limited to, financial and legal matters.

12.2 The JVLLP Board will be responsible for ensuring that project risks are being properly assessed, monitored, and mitigated. The Development Manager will

provide services in support of that, including the risk register. The Board will also be responsible for establishing any strategic risks that impact on the activities of the project, and ensuring that these are reflected in the project risk register where appropriate. Risks may be escalated to the JVLLP Members.

- 12.3 The Council will also have its own arrangements for monitoring and reporting risks at different levels of detail:
- via reports to Members relating to the 12 Sites and the JVLLP including the periodic review of the Business Plan;
 - by the Council's client function and 12 Sites officer project group;
 - under the Council's performance monitoring system; and through other governance and financial reports to Members as advised by the Council's s151 and monitoring officers;
 - consideration by Overview and Scrutiny periodically.
- 12.4 Further risks and sensitivities are detailed in the full Business Case attached to this report.

REASONS AND OPTIONS

13 Reasons for the Decision

- 13.1 By entering into a Joint Venture Limited Liability Partnership, the Council secures significant investment and specialism from the private sector whilst acquiring a degree of control over the scheme. The Council is therefore better placed to secure its regeneration objectives for the 12 Sites than if it relied solely on its role as planning authority and its land assembly powers and/or through a purely contractual arrangement with a private sector partner.

14 Other options considered

- 14.1 A detailed options appraisal of the following options was undertaken:
- Developer led - Council adopts a 'do nothing' approach
 - JVLLP with BIDDER C
 - Commence an OJEU process to select a developer
 - Commence an OJEU process to select a JVLLP partner
- 14.2 The following criteria were used:
- Ensuring a comprehensive development
 - Direct influence over design and management standards
 - Ensuring delivery of infrastructure
 - Meeting deadlines to retain GLA Housing Funding
 - Minimising investment and risk
 - Obtaining a financial return from the scheme
 - Cost of procurement

IMPLICATIONS AND RISKS

15 Financial implications and risks

- 15.1 The report seeks Cabinet approval in principle to invest a maximum of £63.3m of capital expenditure into a Limited Liability Partnership to deliver the regeneration of 12 Housing Revenue Account (HRA) sites. This investment is contained within the HRA and is in addition to the Approved HRA Capital Programme 2017/18 to 2019/20. The bulk of this investment would be in the form of HRA land, the net value of which is currently estimated at £59.7m (all 12 sites), with the remaining £3.6m as cash funding. The report also requires a budget of £50.5 m in respect of land assembly/ CPO costs to enable the Council to provide vacant possession. It will therefore require consideration and approval by Full Council. Therefore, subject to Cabinet/Council approval of the recommendations within this report, the scheme will be included in the proposed capital programme to be considered as part of the 2018/19 HRA budget process and will be subject to approval of the Capital Programme and Treasury Management Strategy in February 2018.
- 15.2 A total revenue surplus for the HRA of £51.7m is forecast as a result of this regeneration scheme after meeting capital financing costs of borrowing. Although a deficit of £0.3m will be incurred over the first year and will require HRA revenue resources to support it until net income streams are generated. An estimated capital receipt of £63.3m is expected to be realised at the end of the scheme.
- 15.3 The financial details are contained within the exempt agenda report.

16 Legal implications and risks

Background

The establishment of, and investment in, the proposed JVLLP by the Council involves the use by the Council of a number of different powers. As referred to below, the Council has taken external legal advice regarding its overall approach and has been advised that the legal structure is appropriate for the transaction. The specific areas that are relevant are:

- the powers under which the JVLLP is permitted to enter onto the Sites to carry out the development and subsequently dispose of long leasehold interests for the shared ownership and open market units,
- the regulations relating to the use of the HRA account,
- the powers to enable the Council to obtain clean title and vacant possession of the first 4 Sites,
- ensuring that State Aid regulations are complied with, and
- the regulations under which the JVLLP is being procured.

Powers

Land disposal

The Council intends to use the power to override easements and other rights in section 203, Housing and Planning Act 2016 for the property to be disposed of to the JVLLP. To do so, it must first appropriate the land for planning purposes. Under section 19(2) of the Housing Act 1985, land held for the purposes of Part II housing (commonly referred to as HRA land) cannot be appropriated without Secretary of State (SoS) consent when it includes a house or part of a house. The Council will therefore need to apply for SoS consent. Once the land has been appropriated, if the Council intends to grant a build lease to the JVLLP then this will constitute a disposal. The Council has the power to dispose of property appropriated for planning purposes in section 233 of the Town and Country Planning Act 1990.

If there is any HRA land that will not be appropriated, or if appropriated land is returned to the HRA before development, SoS consent would still be required before it could be disposed of to the JVLLP (disposal is broadly defined and includes not only a transfer of the freehold but also the granting of a lease, as is the intention here). However, a general consent has been issued by the SoS that would be relevant in these circumstances. Consent A3.2 of the General Housing Consents 2013 permits disposal of vacant land, which includes land on which dwellings have been built provided (1) they have been demolished, or (2) are no longer fit for habitation and are due to be demolished. Another general consent (A3.1.1) permits disposal for market value of land including houses but this cannot be used where the disposal is to a body in which the Council has an interest save for the first five disposals in a financial year. This is therefore of limited use for the current project.

The Council has a broad power to appropriate land for the purposes of Part II housing under section 19(1) of the Housing Act 1985. This power can be used by the Council to transfer the freehold of the land back into the HRA. It also has a broad power under section 17 of the Housing Act 1985 to acquire land or houses for the purpose of Part II housing. This power can be used to acquire completed units from the JVLLP.

Housing and investment

The Council has a broad power to provide housing accommodation under section 9, Housing Act 1985 that can be relied on in this project. Section 9 contains no restriction on the type of tenure that must be used if the Council decides to provide the accommodation, or on whether the Council must retain ownership. The power can be relied on where some properties will be developed for market sale as long as that element is undertaken to cross-subsidise the affordable housing, which we understand is the case here.

The Council has the power to make capital expenditure from the HRA in respect of houses within the HRA (Item 2, Schedule 1, Local Government and Housing Act 1989). This includes acquiring share capital, and can be relied on in this project as the Council will be purchasing completed units from the JVLLP for social rent and shared ownership.

Whilst there are no explicit powers for participation in a JVLLP, reliance is often placed upon s111 Local Government Act 1972 (and the Greater Manchester Trusts case) to participate in companies or other bodies such as a JVLLP. The form of vehicle is a subsidiary matter to the housing and other related powers that the Council could use to redevelop the area. Alternatively (or additionally) the Council may rely upon the general power of competence in section 1 of the Localism Act 2011, which enables the Council to undertake any activity an individual could undertake, subject to any statutory constraints on the Council's powers. Since an individual would be able to participate in a corporate joint venture, in the same way the Council would be able to participate in a JVLLP, by subscribing equity and providing loans and other financial investment for the redevelopment of the 12 sites. Since the regeneration is being pursued for housing purposes rather than commercial purposes no reliance needs to be placed upon section 4 Localism Act 2011.

State aid

The State aid rules prohibit State resources being used to provide selective financial support to third parties that could distort competition and affect trade between Member States. The Council will be receiving funding from the GLA under a borough intervention agreement for the reimbursement of eligible project costs, which we understand include site assembly and obtaining vacant possession. The provision of such funding is subject to the State aid rules, and we have previously provided detailed advice about their application to the GLA funding. In summary, it will not breach the rules if the Council relies on the exemption for services of general economic interest (**SGEI**). These are services which can be identified as being of particular importance to the public, and which are generally delivered pursuant to public service obligations. Member States have discretion as to which services they classify as being SGEIs, but the SGEI Commission Decision (2012/21/EU) expressly includes the provision of social housing for disadvantaged citizens or socially less advantaged groups.

When transferring land or providing any other resources to the JVLLP, the Council can rely on the market economy operator principle as long as it does so on terms that would be acceptable to a private operator in similar circumstances. This is an exemption that has developed in the courts and decisions of the European Commission, and provides that there will be no aid where payment is on market terms because there will be no subsidy from State resources. One of the methods for calculating what these are for payments made for services is to select the recipient by way of a competitive tender procedure under the EU procurement rules, as is the case here.

Best Value

The Council has had regard to its obligations under section 1 Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised having regard to economy, efficiency and effectiveness. The Business Case appended to the report sets out the case for intervention and the range of options that have been considered. The Council considers that the 12 Estates

project currently being evaluated to be the most economic, efficient and effective way of discharging the Councils housing duties in the longer term.

Social Value

The duty under the Public Services (Social Value) Act 2012 has been considered as part of the procurement process. The Business Case outlines the process that will be adopted with the successful private sector development partner to drive the social value outcomes that the council wishes to see.

General

The Council has taken external legal advice regarding its overall approach to the project and has been advised that the Council is acting lawfully, and that the legal structure is appropriate for the transaction. Public law constraints will apply to the project, including the Council's fiduciary duty to act prudently with public monies entrusted to it. The Council therefore must establish (and maintain a full audit trail to support) that the project and its various components are 'intra vires' and that the decision to undertake the project is made after having given due and proper consideration to all relevant factors (disregarding irrelevant factors) and in accordance with normal public law considerations.

Local authority involvement in a JVLLP is now relatively common but has not been tested in the courts, until now. The basis of a JVLLP in LB Haringey has been challenged along with the lack of consultation undertaken on the proposals and the equalities impact assessment of that project. That case will be monitored but the Haringey JVLLP is much wider than the housing related JV in this case and so even if there is a negative outcome for Haringey it does not mean that the Council is unable to participate in a JVLLP.

The JVLLP is a separate legal entity and as such has legal capacity to make planning applications and appeal adverse decisions. However, the Council will need to be mindful of the essential need to separate its decision-making (in its capacity as a member of the JVLLP) from its functions as a planning authority. This also has bearing on the appointment of nominees to the JVLLP's board and also who deals with decision-making on resourcing and reserved matters etc. through the Cabinet, to reduce the risks of challenge from bias or allegations of pre-determination or other conflicts of interest.

Risks

The principal risks in the project are as follows.

a) Other forms of legal challenge – It is always possible for third parties to make challenges through judicial review to attempt to halt progress with projects of this kind, and this risk cannot be ruled out entirely. However, the legal advice that the Council has obtained confirms the lawfulness of the proposed arrangement and the statutory powers being relied on.

b) Commercial – The project is structured as a joint venture and, as such, the Council should recognise that it will be acting as a stakeholder in the JVLLP, and taking a share of the development risk in the project. These risks would include the normal development risks, such as JVLLP or joint venture partner defaults or becomes insolvent, market collapse, delay in land assembly, planning and CPO delay (including highways, stopping up, etc.). The Council's exposure to these types of risks will be limited to the extent of its investment in the JVLLP. Also, the decision making and business planning structure of the JVLLP enables the Council to participate in decisions at both board and corporate member level through the governance and decision-making arrangements it proposes to put in place.

Any joint venture arrangement, especially where parties establish a joint venture vehicle, involves complex and detailed legal commitments, which are intended to last the duration of the development scheme. Were one of the Parties to withdraw or alter the arrangement without agreement this would have considerable complex legal consequences that would almost certainly involve irrecoverable costs.

The exempt agenda report contains a detailed legal summary on the JVLLP relationship that contains information that is of a commercial and financially sensitive basis.

Procurement

The Council procured the project using an approach similar to the competitive dialogue procedure (as described in Regulation 30 of the Public Contracts Regulations 2015 (as amended)), which provided the opportunity for a structured approach to procurement. The Council reserved the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016. The process was conducted as follows; ten bidders applied, six bidders pre-qualified, there was a further shortlisting to three bidders then the preferred bidder was selected. A confirming commitments stage will be utilised before a contract award decision is made. A standstill period will then be observed before the appointment is confirmed and the legal documentation entered into by the Council and successful bidder.

17 Human Resources implications and risks:

- 17.1 The 12 HRA Sites project will require continued involvement of officers from the Housing Service and other Council services. The 12 HRA Sites form part of the Council's overall regeneration programme and a separate report setting out the Chief Executive's proposed arrangements will be presented to Cabinet in January 2018.

18 Equalities implications and risks:

- 18.1 The public sector equality duty under section 149 of the Equality Act 2010 ("PSSED") requires the Council when exercising its functions to have due regard to: (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; and (ii) the need to advance

equality of opportunity between persons who share protected characteristics and those who do not, and to foster good relations between those who have protected characteristics and those who do not. 'Protected characteristics' include: gender, race and disability, sexual orientation, age, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The Council is committed to improving the quality of life for all, and supports wider social and economic growth through social and physical regeneration.

- 18.2 Separate Equality Impact Assessments (EIA) have been completed in relation to sheltered housing and general needs housing to assess the impacts that the 12 Sites HRA Regeneration programme will have on residents and businesses at the selected sites. These are attached to the Business Case as Appendix 8.5.
- 18.3 To inform the EIAs, resident data has been collated from Housing Services' records, which were updated during the 1-2-1 engagement meetings with residents. The Mosaic Market Segmentation tool was also used to form a socio-economic profile of the affected estates. Together, both data sets establish a demographic profile of those affected by this Regeneration programme.
- 18.4 Overall, the 12 Sites regeneration programme will have a positive impact on the residents living on these sites. As identified in this cabinet report and in the EIAs, the programme will deliver approximately 3000 new, energy efficient homes of mixed size and tenure. More than a third of these homes will be affordable to local residents. These homes will contribute to meeting Havering's current and future housing need, as defined by demographic characteristics such as age, affordability and household types. Principles such as *Secure by Design* and *Social Value* have been an integral part of procuring a PSDP and, via the JVLLP, will contribute to the Council's place-making objectives to establish cohesive and sustainable communities that support economic growth and prosperity.
- 18.5 In the short and medium term however, the regeneration programme will have adverse impacts on current residents, particularly as a result of the displacement and disruption required in order to gain vacant possession of the sites prior to demolition. In recognition of this, the Council has undertaken a series of public and 1-2-1 consultation and engagement meetings with stakeholders in order to maintain an open dialogue about the progression of the programme and its impact on the communities involved.
- 18.6 The Local Lettings Plan has been a key point of reference for the public and sets out the support measures the Council has put in place to reduce the impact of the regeneration programme on local residents. These include, but are not limited to:

Secure tenants

- Home loss and disturbance payments
- A permanent move elsewhere in the borough or assistance with out of borough moves
- The right to return to a new build property after site completion
- Up to two property refusals

Other Residents

- Reassessment of housing need for residents in temporary accommodation
- Rehousing advice for Private Tenants
- Market value + financial compensation for leaseholders and freeholders

- 18.7 Where residents request and/or officers deem it necessary, advocates and occupational health professionals have been a part of the communication and decision making process that affects individual households.
- 18.8 Consultation with stakeholders will continue to play an important role as the regeneration programme progresses.
- 18.9 The EIAs will be reviewed on an annual basis. Due to the scale and longevity of the programme, the two over-arching EIAs will be accompanied by additional Site Specific EIAs that will assess the effects of regeneration on site specific characteristics or consider the impact of any regeneration plans that deviate from the overall direction of travel.

BACKGROUND PAPERS

Appendix 1

London Borough of Havering

EXCERPT OF INVITATION TO SUBMIT FINAL TENDERS (“ISFT”)

Havering Estate Regeneration Partner Project

Table 1: Detailed Criteria and Weightings for Final Tender Evaluation

No.	Criteria	Criteria Weighting	Level 1 Sub-Criteria	Evaluation	Level 1 Sub-Criteria Weighting
1	Partnering	20%	Q.1.1 Joint Venture Leadership Management and Partnership Working	Scored 0-10	10%
			Q.1.2 Joint Venture Resourcing	Scored 0-10	10%
2	Construction Programme Delivery	10%	Q.2.1 Supply-Chain Selection, Co-ordination and Management	Scored 0-10	2.5%
			Q.2.2 Construction Project Management	Scored 0-10	2.5%
			Q.2.3 Construction Health and Safety Approach and Measures	Scored 0-10	2.5%
			Q.2.4 Minimising Construction Energy, Water and Waste	Scored 0-10	2.5%
3	Market Positioning	10%	Q.3.1 Market Positioning	Scored 0-10	10%
4	Sample Package Scheme Development Proposals	20%	Q.4.1 Development 1 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.2 Development 2 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.3 Development 3 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.4 Sample Package Scheme Development Proposals - Stakeholder Engagement and Communication	Scored 0-10	2.5%
			Q.4.5 Sample Package Scheme Development Proposals – Construction Programme Plans	Scored 0-10	2.5%
5	Additional Sites	2.5%	Q.5.1 Additional sites	Scored 0-10	2.5%
6	Social Value	7.5%	Q.6.1 Social Value Proposal	Scored 0-10	7.5%
7	Legal & Commercial	10%	Q.7.1 Legal Documents Response	Scored 0-5	10%
8	Financial Proposals	20%	Q.8.1 Financial Model and Commentary (see Appendix 3 and Appendix 4)	Scored (see Appendix 3 and 4)	20%

Schedule

QUALITY AND FINANCIAL QUESTIONS BIDDERS ARE REQUIRED TO ANSWER AT THE FINAL TENDER SUBMISSION STAGE

1. PARTNERING

Criteria 1 – Partnering
Q.1.1 – Joint Venture Leadership Management and Partnership Working (Scored 0-10)
<p>Clear accountability and key personnel availability are key criteria for a successful partnership working.</p> <p>Please outline your leadership and management structure including proposed JV Board Directors and the senior management team operating the JV.</p> <p>The key points of contact, and roles and responsibilities for individuals proposed (including an Organogram and CVs of key personnel setting out their relevant experience) should be included as part of your response.</p> <p>The Authority is seeking a JV partner that will deal with issues in a proactive and responsive manner with a single point of contact for operational delivery and accountability. Should issues arise during the joint venture please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p><i>There are no word limits to the Final Tender responses to this question.</i></p>

Criteria 1 – Partnering
Q.1.2 – Joint Venture Resourcing (Scored 0-10)
<p>The JV staffing and resource plan should be submitted to set out the staffing and resourcing to be provided by the Partner; resource that would have to be externally sourced through the Partner's supply chain; as well as any resource that the Authority would be expected to provide towards achieving the optimal resourcing structure. This may involve both specific resources to be put in place as well as resourcing methodology and approach to secure support to meet the needs of the JV.</p> <p>The resource plan for the JV should seek to demonstrate that the Partner has a proposal with robust capacity, competency and management structures to deliver the range of services and objectives as defined below whilst being balanced with efficiency and adaptability in meeting demand.</p> <p>The resource plan should address the following range of services and objectives:</p> <ul style="list-style-type: none">• design• planning• marketing sales & sales• supply-chain procurement• development and construction management function• finance and treasury management <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

2. CONSTRUCTION PROGRAMME DELIVERY

Criteria 2 – Construction Programme Delivery
Q.2.1 – Supply-Chain Selection, Co-ordination and Management (Scored 0-10)
<p>The partnership will involve delivering construction at multiple sites over the duration of the joint venture.</p> <p>Please provide details of how you will appoint, manage and co-ordinate the construction supply-chain to deliver development across the sites that will demonstrate:</p> <ul style="list-style-type: none"> • Processes for effective needs assessment and planning of supply-chain requirements • High quality standards in the contractors and suppliers appointed for site developments and across the development programme • Efficiencies in your procurement approach to deliver initial and ongoing value for money for each site development and across the development programme • Effective monitoring, reporting and management of supply-chain performance. Cost-control and quality assurance • Rigorous inspection regimes, sub-contractor induction, monitoring and vetting, the supply chain's ability to deliver resilience and contingency measures. • Processes in place to ensure supply-chain resilience and contingency measures • Communications, logistics and management processes to be able to effectively co-ordinate the supply-chain to deliver the site programmes to timetable. <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.2 – Construction Project Management (Scored 0-10)
<p>The construction phases of site development will require the Partner to provide effective construction project management. This should demonstrate day to day accountability for on-site process for scheme progress and managing project risks.</p> <p>Please outline your processes and procedures that your day-to-day project manager will put in place to keep the Authority informed on a regular basis.</p> <p>Should issues arise during the construction stages please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p>Your response provided should seek to demonstrate:</p> <ul style="list-style-type: none"> • proactive approach to managing delivery and issues arising • manage day to day operational delivery effectively • reporting systems and client engagement mechanisms you propose to adopt to ensure that the Authority is made aware at the earliest opportunity of relevant issues or problems affecting programme, cost or quality <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery**Q.2.3 Construction Health and Safety Approach and Measures (Scored 0-10)**

Please provide details of the approach and measures you will implement to ensure effective health and safety measures are put in place for the protection of contractor staff and the public during construction.

Your response should seek to demonstrate:

- your approach to contingency advance planning to prepare for health and safety hazards, incidents and emergencies which may occur on site
- how you assess and identify for each site health and safety risks (and possible emerging risk on an on-going basis) in operating in the site and resource appropriate measures accordingly;
- Your communications plan in respect of emerging or actual health and safety incidents which enables your organisation to respond promptly to the health and safety issues; mobilise and co-ordinate contingencies measures; and to keep the Authority informed.
- Your strategy and methodology in dealing with arising incidents on site in order to ensure health and safety incidents do not impact on the overall project timescales.

There are no word limits for the Final Tender responses to this question.

Criteria 2 - Construction Programme Delivery**Q.2.4 Minimising Construction Energy, Water and Waste (Scored 0-10)**

Please provide details of your approach and measures that you will implement to minimise the amount of energy, water and waste produced in delivering the programme of construction under the joint venture. Your response should describe measures in relation to performing construction services for the Authority as well as materials used during construction.

There are no word limits for the Final Tender responses to this question.

3. MARKET POSITIONING

Criteria 3 – Market Positioning

Q.3.1 –Market Positioning (Scored 0-10)

Please provide your approach to Sales & Marketing across the programme of sites. Your response should include details of:

- Your approach and methodology for assessing demand for types of homes in each area
- Examples of specific design approaches and place-making interventions you consider appropriate for inclusion in these development sites
- Your analysis of growth / value uplift opportunities across the 12 sites
- How you will co-ordinate with other advisors and intermediaries to support and facilitate the transfer of assets
- How you will maximise value for the sale of developed assets
- The marketing you propose to carry out for the development to secure potential purchasers
- The resourcing you propose to deploy to deliver that plan
- Your projected rate of sale and reasons supporting those projections
- Your strategy for maximising value from sales and reasons supporting the effectiveness of that approach

There are no word limits for the Final Tender responses to this question.

4. SAMPLE PACKAGE SCHEME DEVELOPMENT PROPOSALS

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.1 Development 1 Outline Master-Plan and Housing Design (Scored 0-10)

Please provide a design and planning submission for Development 1 (comprising of the Waterloo Estate site and the Queen Street site) to include:

1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development
2. Diagrams, plans and images to illustrate:
 - Overall approach to site layout
 - Access and connectivity
 - Parking
 - Landscape / Public realm
 - Built form
 - Massing and height
 - Key views
 - Precedent images for elevational treatments (representative of your approach to this site)
3. Commentary on residential mix, specification, target market
4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix
5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the sites.

NB Please refer to benchmark specifications supplied with this ISFT

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals**Q.4.2 Development 2 Outline Master-Plan and Housing Design (Scored 0-10)**

Please provide a design and planning submission for Development 2 (comprising of the Napier House and New Plymouth House site) to include:

1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development
2. Diagrams, plans and images to illustrate:
 - Overall approach to site layout
 - Access and connectivity
 - Parking
 - Landscape / Public realm
 - Built form
 - Massing and height
 - Key views
 - Precedent images for elevational treatments (representative of your approach to this site)
3. Commentary on residential mix, specification, target market
4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix
5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the site.

NB Please refer to benchmark specifications supplied with this ISFT

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals**Q.4.3 Development 3 Outline Master-Plan and Housing Design (Scored 0-10)**

Please provide a design and planning submission for Development 3 (comprising of the Serena, Solar and Sunrise site) to include:

1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development
2. Diagrams, plans and images to illustrate:
 - Overall approach to site layout
 - Access and connectivity
 - Parking
 - Landscape / Public realm
 - Built form
 - Massing and height
 - Key views
 - Precedent images for elevational treatments (representative of your approach to this site)
3. Commentary on residential mix, specification, target market

4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix
5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the site.

Please note that the entirety of this site will be retirement accommodation.

NB Please refer to benchmark specifications supplied with this ISFT

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.4 Stakeholder Engagement and Communication (Scored 0-10)

Please provide details of the stakeholder engagement and consultation and communications plan you intend to put in place in relation to developing the Sample Package Scheme Development Proposals. Your response should provide a timetable and resourcing plan to carry out the consultation and programme of communications.

The proposals should set out:

- an effective plan to identify relevant Stakeholders in relation to the 3 Developments of the Sample Package Scheme and schedule accessible consultation opportunities for them to participate in
- the information that the consultation process would seek to identify relevant to the 3 Developments of the Sample Package Scheme and the reasons it is important for the successful delivery of the scheme
- how the consultation information will be collated, provided and presented to the Authority
- how you would work with the authority to address issues anticipated to result from the consultation exercise
- the communications programmes and events that would be deployed during and on completion of each and all of the 3 Developments of the Sample Package Scheme development to promote projects to Stakeholders and the community.

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.5 Programme (Scored 0-10)

Please provide a high-level programme for the delivery of the Sample Package Scheme Development Proposals.

The Programme should:

- Show all key work stages for each of the 3 Developments
- Show all key milestones for each of the 3 Developments

The Programme should be supported by a commentary explaining how those key milestones are properly resourced and deliverable to provide confidence that the Sample Package Scheme Development Proposals will be delivered on time. The commentary should also provide details of contingency and business continuity measures that will be put in place to ensure the resilience of the proposed programme.

There are no word limits for the Final Tender responses to this question.

5. ADDITIONAL SITES

Criteria 5 – Sample Package Scheme Development Proposals

Q.5.1 Additional Sites Strategy (Scored 0-10)

The joint venture commencement programme will be to deliver the development across the 12 initial sites. However, the joint venture will also need to have a strategy to seek and realise housing led development commercial opportunities beyond the development of these 12 initial sites.

Please provide details of your overview approach, business plan and strategy in relation to future opportunities within the Borough of Havering over the duration of the arrangements beyond the development of these 12 initial sites. This may include (but is not limited to) strategic review and financial appraisals of other existing Authority sites for commercial development as well as further potential land assembly and acquisition opportunities to be jointly invested in and realised through the Joint Venture.

There are no word limits for the Final Tender responses to this question.

6. SOCIAL VALUE

Criteria 6 – Social Value

Q.6.1 Social Value Proposal (Scored 0-10)

The Partner will be operating within the Borough over the long term and will be expected to apply its skills and ability to contribute towards the strategic social and economic development and regeneration of the area.

The Authority is committed to delivery of social value linked to the development and regeneration of the sites. The Authority is looking to the Partner to drive benefits in terms of:

- Providing apprenticeships and other skills development, work experience and opportunity access programmes to be provided in the Borough to secure skills to support the delivery of development programme and leave a legacy of workforce investment. The details of commitments, the quality and duration of the training programmes and support proposed should be included.
- Offering curriculum support to schools with contractors sharing knowledge and expertise about their discipline.
- Creating supply chain opportunities for SMEs and social enterprises.
- Supporting initiatives like targeting hard to reach groups and offering training opportunities.
- Investing in delivering facilities such as libraries and leisure facilities to communities and making them available for community use.

The deliverability of your proposal may be illustrated by relevant examples of social value in past projects. The Authority will be assessing the quality of the proposal and also the number of clear formal commitments, inputs and outputs put forward.

There are no word limits for the Final Tender responses to this question.

7. LEGAL AND COMMERCIAL

Criteria 7 – Legal & Commercial

Q.7.1 Contractual Documents Response

Bidders are required to submit a mark-up (with supporting commentary and reasoning to explain changes, proposals and commitments) to the contractual documents consisting of:

- the Members Agreement
- the Development Agreement
- the Development Management Agreement
- the Build Licence (or alternatively a building lease proposed by the Bidder which should aim to reflect the risk transfer of the Build Licence)

The response should also incorporate how the Bidder will address the issue covering the *Phasing or viable and less viable Sites* clarification (as set out in the Authority's clarification issued to Bidders on 2nd November) and this is to be evaluated as part of the overall holistic assessment of the Contractual Documents response. The relevant clarification is repeated below for reference.

The final mark-up submitted as part of the Final Tender should reflect the positions discussed with the Authority up to the conclusion of the dialogue stage.

Authority's clarification issued to bidders 2nd November:

Phasing of viable and less viable Sites

Bidders are aware that the Regeneration of all 12 Sites is dependent on Sites being "bundled" so that each Phase of Sites delivers a positive residual land value even if individual Sites would not do so, looked at in isolation. The three initial developments have been chosen for that reason and it will be necessary that later Phases will be bundled in the same way so that all 12 Sites can be delivered viably.

However, even if Sites are bundled in viable Phases, this does not of itself guarantee that all the Sites in a Phase will be completed. The worst case scenario is that the most viable Site(s) within a Phase are completed; there is a downturn in the market (or for any other reason the JV comes to an end) and the less viable Sites are not built. The Council, therefore, needs to be sure that all the Sites within a Phase are both started and completed in a timely manner.

Bidders should describe how they will address this issue covering the following areas in respect of phases of sites:

- In respect of the Sample Package Scheme involving the initial 4 Sites (over 3 Developments) what commitment can be given to ensuring a start of construction on each Site within a specified time period? The Council's requirement is that there will be no more than 6 months between the start on Site on the first and last Site within the initial Phase of Sites across the three initial Developments and bidder's proposals must comply with or improve upon this requirement.
- What commitments can be given to ensuring that all Sites within the Sample Package Scheme of the initial three Developments are completed, once started. This might include restrictions on how many Units on the viable Sites can be sold before practical completion of the less viable Sites
- What similar commitments can be given in relation to ensuring a start of construction of each Site within a defined time period for each future Phase "bundle" of Sites for the remaining 8 Sites?
- What sanctions the JV would suffer if the commitments referred to above are not met both in respect of the Sample Package Scheme and also in relation to each future Phase "bundles" of Sites for the remaining 8 Sites.
- What amendments to the legal documentation are proposed to incorporate the above to reflect commitments in respect of the Sample Package Scheme and also in relation to each future Phase "bundle" of Sites for the remaining 8 Sites.

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HAVERING COUNCIL HOUSING REGENERATION PROGRAMME

*The Business Case
for a Joint
Venture Vehicle to
deliver the
Regeneration of
12 HRA Sites*

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EXECUTIVE SUMMARY

1. Introduction – Objectives of the Business Case

The London Borough of Havering is seeking to establish the viability of estate regeneration on 12 sites currently vested in the Housing Revenue Account (HRA). These being:

- Brunswick Court
- Delderfield House
- Dell Court
- Delta Estate
- Farnham & Hildene
- Maygreen Crescent
- Napier and New Plymouth House
- Oldchurch Gardens
- Royal Jubilee Court
- Solar, Serena & Sunrise Courts
- Waterloo Estate
- Queen Street

The objectives of this business case are to establish the following:

- Whether an estate regeneration programme delivers the Council's core strategic objectives.
- Whether the Housing regeneration schemes are viable and offer a value for money solution for the sites.
- If the schemes are deliverable.
- How they affect local residents and homeowners, the scope and nature of the 'local offer' to gain local support for such as scheme.
- The preferred vehicle to deliver the Council's objectives.
- The most appropriate procurement route.
- To enable the Council to decide whether to proceed with the programme.

The work carried out to date has highlighted the types of stakeholders the Council may wish to involve in the development process, the information required to assess viability and the private sector requirements in terms of commitment to invest and deliver.

An additional benefit of this business case is that it will establish a suite of documents, a financial model structure, a set of development assumptions, a range of procurement options, risks and issues that may be used to inform the potential for other estate regeneration projects around the Borough.

2. Council objectives for this project

The Council has established objectives for the regeneration project that are set out below:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use.
- To provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and extra care sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account (HRA) stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should also aim to deliver additional HRA rented units to the level of existing stock on estates previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing all tenure stock levels, thereby achieving over 40% affordable housing across the 12 sites. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Help mitigate the homelessness pressures in the General Fund by providing increased affordable housing numbers.
- Improve the viability within the Asset Management Strategy by reducing the cost of maintaining existing poor viability buildings.
- Land is expected to remain in Council ownership except any freehold properties built for outright sale.
- Where tenants and leaseholders wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

The overall objective of the 12 Site Regeneration Programme is to broaden and enhance the range, quality and quantity of housing across all tenures for existing and new residents, whilst also supporting the provision of facilities and services necessary to support growing communities.

In October 2016 it was reported to Cabinet that officers would start the procurement of the PSDP via a process called competitive dialogue. The proposals have been fully supported by the Greater London Authority (GLA) who has confirmed a £30.2million grant under the 2016-21 programme. A further application for site assembly costs of £2.7million is pending.

The realisation of all the key principles and objectives will be reliant on the provision of legitimate and attractive financial settlements to encourage existing freeholders and leaseholders to participate in the programme.

3. Strategic Context

In light of the above principles and objectives, Havering has reviewed the national and local strategic context. As a result, it is clear that the proposed regeneration of these sites has a strategic fit with policy at all levels. This applies both in terms of improving existing housing stock and in terms of making the sites better places to live whilst intensifying development to provide additional homes of all tenures.

Havering aspires to significant economic growth with associated infrastructure upgrades and housing development. This is reflected in the current and proposed planning policy and the Council's successful application for Housing Zone status in Romford and Rainham. The redevelopment and intensification of the selected sites can assist in meeting the Council's need for increased housing. The infrastructure improvements that must be provided alongside the redevelopments will assist in improving the perception of these sites as desirable places to live.

4. Financial Appraisal

The Council, working in conjunction with an external multidisciplinary team comprising of Savills, Gardiner & Theobald (cost consultants), Tibbalds (master planners), and PCKO (architects) have prepared capacity studies for each of the 12 sites. These have been subject to detailed cost analysis, valuation and assessment of build methodology to ascertain the financial viability of each site, both individually and collectively.

The HRA Business Plan (HRA BP) was reviewed taking into consideration a number of assumptions particularly with regard to stock condition based upon a Keystone Asset Management Analysis. Pre and post regeneration scenarios were modelled and it is clear that comprehensive regeneration delivers both significant uplift in housing stock, and enhanced net present value. In addition, it also has a positive effect on the HRA.

A viability model was established to provide an indication of the existence of a project surplus or deficit. A surplus was defined as sales revenue and capitalised revenues less development costs and house builder's priority return.

In the model infrastructure and other costs relating to each phase of estate redevelopment included buy-backs, compulsory purchase orders (CPO), home-loss payments, disturbance payments and site abnormalities.

4.1 Model Outputs

The initial outputs in terms of surplus/ deficit for each project are set out in Appendix 8.1: Financial Summary. Based on present modelling assumptions it is evident that a number of sites culminate in a negative residual land value (RLV) due to a combination of modest sales revenues and a high level of Right to Buy properties to be purchased by the HRA.

Viability across all 12 sites culminates in a modest positive RLV. Hence, whilst the overall opportunity being tendered is all 12 sites, the project will be split into four distinct works packages to facilitate appropriate levels of cross subsidy as the programme progresses.

Viability may improve due to a number of factors:

- On larger sites subject to regeneration, uplift in current market values is anticipated.
- The impact of infrastructure upgrades, including the arrival of Crossrail.
- It may be possible to secure public subsidy from available sources over time.

5. Options Analysis

Three options for delivery were considered. These were:

Option One: Development by a vehicle wholly owned by the Council

Option Two: Traditional contracting approach under a Development Agreement (DA)

Option Three: Joint Venture predicated on a competitive dialogue process

Having examined these options and their respective advantages and disadvantages, the preferred option was to seek an overarching Joint Venture Limited Liability Partnership (JVLLP) as this best met the Council's delivery criteria and objectives.

The Council, in conjunction with legal advisors Bevan Brittan, also considered the preferred procurement route to establish a JVLLP. It was concluded that the Council would procure the project using an approach similar to the competitive dialogue procedure (as described in Regulation 30 of the Public Contracts Regulations 2015 (as amended)), which provides the opportunity for a structured approach to procurement. However, the Council reserved the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016 (CCR 2016).

This decision also recognised the cost and resources required for prospective partners and the Council in participating in such a procurement process.

A do nothing option was not considered viable as this would not meet the strategic objectives of the Housing Service or Council.

5.1 Soft Market Testing

Following a launch at MIPIM in March 2017, Havering started a soft market-testing programme. This culminated in 52 expressions of interest from a broad range of UK and overseas investors, volume house-builders and housing associations.

5.2 Competitive Dialogue Process

In May 2017 the Concessions Notice was published in the Official Journal of the European Union (OJEU) and the Selection Questionnaire was made available. Ten bidders responded and, following a detailed evaluation process, six were shortlisted to progress to phase 1 of the competitive dialogue process and issued with an Invitation to Participate in Dialogue (ITPD) document. The deadline for receipt of the phase 1 responses to the ITPD was 11th August 2017. On 13th September, three bidders were shortlisted to proceed to the second phase of the process and issued with an Invitation to Continue Dialogue (ITCD) document.

5.3 Competitive Dialogue Programme

Attached at Appendix 8.2 is the competitive dialogue programme that has been followed to achieve the selection of a preferred private sector development partner and secure appropriate Cabinet approval in January 2018.

6. Conclusion and Recommendations

Given the demonstrable evidence of interest to invest in Havering, the proposed regeneration programme and positive view of viability, the following can be concluded:

- The estate regeneration schemes will deliver the Council's core strategic objectives as they meet the relevant requirements of the Council's strategy and policy documents in all respects. They are also aligned to the national and London policy context.
- If the programme is procured in a number of distinct works packages, based upon programme assumptions and financial modelling undertaken to date, each works package meets current viability requirements. All in-house viability modelling has been subject to independent validation by external specialist consultants.
- To improve viability, whilst maximising the re-provision of affordable rented housing, it is prudent to seek funding from the Greater London Authority (GLA).

Note: the Council submitted a successful application to the GLA for the 2016-21 Affordable Housing Grant. An allocation of £30.2m has been agreed with a 50% draw down upon start on site. In addition, the LBH have an overarching agreement for Housing Zone Grant up to £2.7m as a contribution towards land assembly costs.

7. Structure of the Business Case

This document sets out the business case for the Council to intervene in order to deliver its regeneration objectives for the 12 HRA sites. It also considers a number of approaches to delivery and sets out the associated legal and financial implications.

This business case is structured on the 'Five Case Model' including procurement and contractual elements as stipulated in Government guidance.

The five case model delivers information under the following headings:

- Strategic Case
- Economic Case
- Commercial Case
- Financial Case
- Management Case

1. STRATEGIC CASE

1.1 Introduction and Purpose of the Strategic Case

This section sets out the Strategic Case for the investment in a JVLLP to deliver the regeneration of 12 HRA sites in Havering. The purpose of the Strategic Case is to demonstrate that the proposal provides business synergy and strategic fit and is predicated upon a robust and evidenced case for change. It includes the background to the JVLLP proposition and the rationale for intervention through a JVLLP to support the programme delivery and how the delivery of the project will reference good practice requirements for regeneration on occupied sites.

1.2 The National Picture

The regeneration, replacement and refurbishment of Council Housing, and the improvement of socio-economic conditions on Council sites, has been an ambition at national level for some time. The Decent Homes programme ran from 2000 to 2016 with an ambition to bring all Council homes up to an acceptable standard. The present government established the Estate Regeneration Strategy when, former Prime Minister, David Cameron launched ambitious plans to regenerate council sites with a speech in January 2016.

Similarly, there has been, at national level, a growing recognition and consensus that there is a shortage of homes and a large and growing unmet housing need amongst the population. Housing Zones, for which Havering has successfully bid, are one of the measures to combat this. A number of initiatives, largely aimed at home ownership have been tried, but the Government's recent White Paper (February 2017) 'Fixing our Broken Housing Market' represents a change in direction, and an acknowledgement that the challenges remain.

The increasing funding constraints suffered by local authorities have put considerable strain on local authority revenue and capital budgets. The cap imposed on the amount local authorities can borrow against their housing assets, depletion of the housing stock through right to buy and the forced decrease in rents are all impacting on the ability of local authorities to finance new homes, estate renewal and economic regeneration projects. As a result, local authorities are increasingly considering different delivery mechanisms, often involving the private sector, and this present review is extremely timely in that context.

Economically, despite the tensions exhibited as a result of Brexit, the property market remains resilient and the economy is continuing to grow and is currently forecast to continue to do so, albeit more slowly in 2018. London and the South East are likely to continue to benefit from this growth, and therefore continue to be areas for investment. Developers in the estate renewal field remain interested in new opportunities and are optimistic about the value of further investment.

1.3 London Context

The London Plan 2015, and now the new Draft London Plan, produced by the Mayor of London, sets out the integrated social, economic and environmental framework for the future development and growth of the city. (Any relevant changes in the new draft London Plan published on the 29th November 2017 will be considered but are not reflected in the Business Case.)

Appropriate to Havering, The London Plan recognises the unique characteristics of outer London.

Specifically in relation to Havering the current London Plan:

- Sets a minimum housing target of 11,700 new homes between 2015 – 2025;
- Identifies London Riverside (including Rainham and Beam Park) as an Opportunity Area (an opportunity area has significant potential for new residential and economic development);
- Identifies Romford as a metropolitan centre and Hornchurch, Upminster, Collier Row, Harold Hill, Rainham and Elm Park as district centres;
- Sets an annual indicative benchmark of 185 specialist housing units for older people between 2015 – 2025.

Havering as part of the outer north-east London sub housing market area has worked with the London Boroughs of Barking and Dagenham and Redbridge to prepare a Strategic Housing Market Assessment (SHMA). The Outer North East London SHMA indicates that Havering's full objectively assessed housing need is for 30,052 new homes over the period 2011-2033 (1,366 new homes per year). Of these, 35% are required to be affordable.

1.4 The Local Strategic Context

The Council has defined its new vision for Havering under the headings People, Places, Communities and Connections. This vision is enshrined within the Corporate Plan, and delivered through the Housing Services Plan. The requirement to deliver new homes to help meet the gap between housing supply and demand is detailed in the Housing Strategy whilst requirements for overall regeneration and economic growth are enshrined within the Economic and Growth Strategy. These form a clear strategic backdrop against which the options for estate regeneration must be considered. Any new approach must have the ability to realise the needs and objectives of the Council, as set out in these key documents.

That “golden thread” of evidence continues as the regeneration of the 12 sites and provision of new housing, including affordable housing and housing for older persons are established Council policy as set out below:

1.5 Havering Draft Local Plan 2017

At its July 2017 meeting, Council approved the Proposed Submission Havering Local Plan for publication and consultation under Regulation 19 of the Regulations prior to submission to the Secretary of State. This includes the 12 sites for regeneration and housing delivery.

The Local Plan emphasises the importance of ensuring infrastructure, including education and local health facilities and also the provision of affordable housing. The sites are referenced in the Housing Position Statement 2017. The Housing Position Statement document is a key part of the evidence base of the Local Plan and is an important part of the assessment into the 'soundness' of the Local Plan. It addresses how Havering will ensure there are enough homes in the borough in line with the London Plan requirements. It looks at matters including housing delivery supply, need and tenure. It makes explicit reference throughout to the significant role and contribution that the Council's Sites Regeneration programme will have in ensuring there are enough homes in the borough and our residents have the opportunity to live in high quality places as part of settled and inclusive communities.

1.6 Romford Development Framework 2015

The Romford Development Framework, approved by Cabinet in July 2015, forms part of the evidence base for the emerging Havering Local Plan. The Framework indicated delivery within five years, i.e. by 2020. The Waterloo Estate, along with Bridge Close, is within this area and will facilitate the delivery of the wider regeneration of Romford.

1.7 Romford Housing Zone June 2016

Cabinet agreed to accept Housing Zone status for Romford from the Greater London Authority (GLA). Included within the zone is Waterloo Estate. Whilst the original bid identified the delivery of a modest 220 new homes through infill development, full regeneration of the site partly funded by Housing Zone funding from the GLA, is set to deliver a minimum of 1100 homes.

1.8 Rainham and Beam Park Housing Zone

This was the first of the areas in the borough to achieve the status of a housing zone with the GLA. This area will be transformed into a new community called Beam Park. Of the 12 sites, Napier and New Plymouth Houses, whilst outside the boundary of the Housing Zone, are within the Housing Zone Master plan area and will help deliver the vision for the new community.

1.9 12 HRA Site Regeneration Programme

Various reports have been presented to Cabinet over the last two years regarding the use of existing HRA sites to increase housing and affordable housing provision within the borough. By following the objectives detailed in section 1.16 of this "Strategic Case", the 12 sites programme will achieve the following:

- an overall increase in housing.
- an increase in Council general needs rented properties well in excess of 30% on the twelve sites.
- a minimum 300 low cost ownership homes.
- a total increase of affordable housing provision across the 12 sites of up to 100%.
- modern housing for older people.

The Cabinet reports mentioned above have also provided:

- authority to start the procurement of a private sector partner to deliver the council's vision for the 12 sites through a competitive dialogue process
- authority to start to buy existing freehold and leasehold properties by negotiation and take reasonable steps to identify land which cannot be acquired by negotiation and appoint the relevant consultants in order to assess the need for a potential Compulsory Purchase Order (CPO).
- authority to start the decant process for existing tenants on the sites including the service of demolition notices.
- approval to enter into extensive consultation with residents regarding the regeneration of sites and the detail of the decant offer.

1.10 Review of Older Persons Housing

Reports have been presented to Cabinet identifying the need for improvements in the older persons housing provision in Havering. The improvements include the modernisation of some existing sheltered schemes and the redevelopment of three schemes to provide much needed extra care housing along with the provision of housing for people with dementia. The reports identified the overprovision of standard sheltered housing and under provision of extra-care and provision for people with dementia. In addition, these reports identified a need in the Borough for older people to be able to buy properties within a more supported environment. The 12 sites project is helping to deliver the Borough's vision for Older Persons Housing. More detail is provided in the full reports, as referenced in Appendix 8.3.

1.11 Havering Housing Strategy 2014-17

The Housing Strategy identifies the need for the provision of all forms of housing and, in particular, the need to provide affordable homes for local people, taking account of the supply and demand data that is available. This project is a key part in improving the supply of new homes that are affordable to local people.

1.12 Homelessness Strategy and Allocation Policy

The current homelessness strategy is a sub-strategy of the Housing Strategy. It is being reviewed as part of the work needed to prepare for the impacts of the Homeless Reduction Act. However, there is an identified need for the provision of affordable homes that meet the needs of vulnerable people who live in the borough at rents they can afford. In addition, we know that there are opportunities to enable existing tenants to move into low cost home ownership properties, thus freeing up affordable rent properties. The downsizing strategy also enables rental properties of the correct bedroom size to be freed up for families who are homeless or overcrowded. These strategic aims and service requirements are being assisted by the provision of the homes through this initiative.

1.13 HRA Business Plan 2017 – 2047

The HRA 30 year Business Plan is reported to Cabinet annually as part of the rent setting and budget setting process each February. In addition, an update of the Business Plan was presented to Cabinet in November 2017 identifying the potential financial impact of

delivering the 12 sites programme. Whilst the HRA can support the delivery of the new build via the JVLLP, there is an additional identified need to re-provide new affordable rental units in the HRA. This is because of the financial impacts of the number of homes lost through Right to Buy. The first issue is to increase the rental stream and service charge income in the HRA in order to support the delivery of services. Future losses could call into question the financial viability of the business plan. The second issue is to be able to spend the RTB 1-4-1 receipts on new homes in order to avoid having to repay the money back to the DCLG at a penal rate of interest.

1.14 Asset Management Strategy 2016

The latest review of the Asset Management Strategy and Plan presented to Cabinet in 2016 identified several poorly performing assets in the portfolio. These properties drain money out of the HRA as they cost more to maintain than the income provided through the use of the asset. The worst performing properties are removed through this project. In addition, there is significant reduction in the on-going maintenance requirements in the plan for other sites being demolished and re-provided with new assets.

1.15 Approval Process

The Council's 'in-house' legal team, OneSource, and the external legal advisors, Bevan Brittan, have been fully engaged in the procurement process to date. Below is a summary of the milestones and processes so far:

Date	Process	Document Name
June 2016	Cabinet Report	HRA Proposal for Investment in Housing
October 2016	Cabinet Report	Review of Older Persons Housing and New build proposal for 12 Housing Sites
December 2016	Procurement Checkpoint	The Appointment of Savills
January 2017	Executive Decision	To Procure the Multidisciplinary Team
April 2017	Procurement Checkpoint	Pre-procurement approval for a private sector partner
May 2017	Executive Decision	To commence the procurement process
July 2017	Executive Decision	Financial / Tax advice
September 2017	Non-Key Executive Decision	Update on the Procurement Programme
November 2017	Cabinet report	HRA Business Plan Review

January 2018	Cabinet Report	12 HRA Estates JV Procurement – Entering into a Limited Liability Partnership
	Cabinet Report	Approval of the Revised Local Lettings Plan & the new Decant Policy and Possession Procedure for the Housing Regeneration Programme

1.16 Council Objectives for this Project

The Council has established objectives for the regeneration project, which are set out below:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use.
- To provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and extra care sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account (HRA) stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should also aim to deliver additional HRA rented units to the level of existing stock on estates previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing all tenure stock levels, thereby achieving over 40% affordable housing across the 12 sites. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Help mitigate the homelessness pressures in the General Fund by providing increased affordable housing numbers.
- Improve the viability within the Asset Management Strategy by reducing the cost of maintaining existing poor viability buildings.
- Land is expected to remain in Council ownership except any freehold properties built for outright sale.
- Where tenants and leaseholders wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

The overall objective of the 12 Site Regeneration Programme is to broaden and enhance the range, quality and quantity of housing across all tenures for existing and new residents, whilst also supporting the provision of facilities and services necessary to support growing communities.

1.16.1 Guiding Principles

The objectives for this project have formed the basis of the detailed consultation with residents. The consultation process has involved lengthy discussions with residents who have provided feedback on the objectives and the overall strategic direction of this project.

That feedback has been used to confirm or change the proposals for the 12 sites as well as setting guiding principles that will be adhered to throughout the delivery phase of the programme. Those guiding principles include:

- i. Given the unmet housing need in the Borough, the regeneration programme must facilitate the Right to Return for all existing residents and a net gain in the level of affordable housing provision.
- ii. LBH will retain the freehold interest and long-term management of all affordable housing stock.
- iii. By retaining the freehold interest of the entire sites, the Council will be involved in the long-term stewardship of the new developments, and not just the affordable housing.
- iv. Delivery of the programme will contribute positively to the repositioning of the perception of Council housing sites in the Borough, providing new sustainable, multi-tenure communities.
- v. The programme will deliver a range of services and facilities as an integral part of the plan. These will include infrastructure upgrades, commercial, retail, leisure, health and education facilities.
- vi. This is not just about housing. It is about ensuring that amenities and services are delivered as an integral part of the plan, especially schools, open space and healthcare. However, it is not assumed that the programme will necessarily fully fund the provision of all of these amenities although it should provide the space for them within appropriate environments;
- vii. The programme will deliver quality homes at variable values, accessible to a broad demographic and affords the council the opportunity to act as a key enabler whilst harnessing private sector skills and investment.
- viii. The affordable housing must be affordable to local people at local income levels.
- ix. Achievement of good practice regeneration principles.
- x. The financial viability of the Programme will be underpinned by an increase in density of housing and the delivery of open-market housing will cross subsidise affordable housing through the use of sales receipts.
- xi. There will be no stock transfer as part of the programme;
- xii. There must be a right to return, or a right to a local replacement home, for all existing council tenants and leaseholders. If existing council tenants wish to investigate choices of other tenures, including low cost home ownership (LCHO) or access to the private market, they will be helped to do so.

xiii. Accessibility to the rail network and other public transport will be a key feature of urban design.

This Business Case and delivery programme have been considered, developed and written in light of these objectives and guiding principles.

1.17 The Regeneration Sites

1.17.1 Why these Sites

The Housing Regeneration programme comprises 12 sites. These are the initial sites identified as offering the greatest potential for the provision of new affordable homes or requiring intervention due to the costly or unacceptable quality of housing. In addition, the Council intend, where appropriate, to bring forward further sites for inclusion in the JVLLP at a future date.

Site Name	Ward	Rented Homes	Leasehold Homes	Total Homes
Waterloo Estate	Romford Town	171	73	244
Maygreen Estate	Hylands	88	23	111
Oldchurch Gdns	Brooklands	64	22	86
Napier and New Plymouth	S. Hornchurch	86	11	97
Delta TMO (Elvet Ave)	Squirrels Heath	45	18	63
Farnham, Hilldene and Chippenham	Gooshays	0	0	0
Royal Jubilee Court	Pettits	79	0	79
Solar, Serena and Sunrise	St Andrews	55	0	55
Brunswick Ct	Cranham	47	0	47
Dell Court	St Andrews	29	0	29
Delderfield	Pettits	14	0	14
Queen Street	Romford Town	31	0	31
Total		709	147	856

Existing number of homes to be demolished

Note 1: Waterloo includes 12 hostel not included above.

Note 2: 114 long term empty sheltered homes as not fit for purpose.

All Council HRA sites were subject to a Keystone Asset Management Analysis to provide an accurate assessment of their apparent condition and resulting impact on the stock investment programme. This asset management review was report to Cabinet alongside a new Asset Management Strategy and Plan during 2016. The sites included in this project were generally identified as negatively impacting the Asset Management Plan (AMP) either now or in the near future.

The Council undertook initial capacity studies for each of the site. These indicated strong potential to substantially increase the number of homes, including affordable homes, across

the sites whilst at the same time maximising the opportunities for regeneration and place shaping. Indicative numbers of new homes identified at this stage are set out below and have been set as the base-line numbers for this project:

Site Name	Ward	Rented homes	LCHO/sales	Total Homes
Waterloo Estate	Romford Town	237	863	1,110
Maygreen Estate	Hylands	100	100	200
Oldchurch Gdns	Brooklands	100	200	300
Napier and New Plymouth	S. Hornchurch	150	50	200
Delta TMO (Elvet Ave)	Squirrels Heath	45	305	350
Farnham, Hildene and Chippenham	Gooshays	0	63	63
Royal Jubilee Court	Pettits	45	105	150
Solar, Serena and Sunrise	St Andrews	60	140	200
Brunswick Ct	Cranham	15	35	50
Dell Court	St Andrews	20	20	40
Delderfield	Pettits	15	15	30
Queen Street	Romford Town	7	27	36
Total		794	1,925	2,719

Capacity Study – potential number of homes

In addition, the rationale for including the sheltered schemes in the programme was that many of the homes were poor quality, bedsit accommodation and hard to let or designed in such a way that did not facilitate the delivery of the additional care that would be required for older and frailer people living independently in their own homes. In all, across the sheltered schemes in this programme, there were 114 long term vacant properties that had been vacant for up to ten years. It was not considered economically viable to refurbish these schemes to provide modern extra-care sheltered facilities.

The feedback obtained during the consultation process from residents on the sites indicates that many of the existing residents accept that, due to the poor quality of the buildings and estates, wider regeneration rather than investment in existing buildings and grounds is needed to achieve a lasting improvement in the homes and communal open spaces.

Under the GLA's 2016-21 Affordable Housing Programme, a grant allocation of £30.2million has been secured for phase one of the Estate Regeneration Programme. In addition to this, the Waterloo Estate is in the Romford GLA Housing Zone and as such attracts further GLA housing development funding. Confirmation of a Housing Zone grant application for site assembly costs is pending.

A multidisciplinary team (MDT), led by Savills, was appointed to carry out high-level appraisals of each estate to determine development capacity and financial viability. Having progressed to competitive dialogue stage, the market has validated these assumptions from a capacity, programme and financial perspective.

1.18 Socioeconomic and Demographic Context

In November 2016, an updated version of The Strategic Market Housing Assessment (SHMA) was published. The SHMA projected that based on household and population projections for the period 2011 – 2033, Havering would need an additional 30,052 new

homes -equivalent to 1,366 new homes per annum. As displayed in the table below the SHMA was used by Havering to identify the future size and tenure mix of housing need in the borough based on the current and projected households and population, and taking into migration and demographic changes, including affordability and household types.

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	5+ Bedroom	Total	%
Market Housing	1,590	3,030	12,490	2,260	160	19,530	65.0%
Affordable Housing	640	2,850	5,400	1,610	20	10,520	35.0%
Total	2,230	5,880	17,890	3,870	180	30,050	
%	7.4%	19.6%	59.5%	12.9%	0.6%	100%	

Full Objectively Assessed Need for Housing; Size and Tenure Mix across Havering for 2011-33

As above, and based on average household income figures, the SHMA dictates that 35% of new housing is required to be affordable in order to meet the Borough's housing need. The average gross income per household in Havering (£44,430, as measured in 2012/13) is low in comparison to the London average (£51,770) and slightly higher than the England average (£39,557).

Generally, those living on the regeneration sites have an income below the Havering average, peaking at £30,000. Attached at Appendix 8.4 is the Mosaic demographic profile of the residents on the regeneration sites which demonstrates a socioeconomic link between Havering residents on lower incomes and those with the poorest health and well-being outcomes.

Through regeneration, these sites will successfully establish new vibrant and connected communities, supported by the provision of good quality, energy efficient homes, high quality public spaces, and well-used community facilities. This will give residents the stable foundations to meet and pursue their economic aspirations.

The Equalities Impact Assessment (EIA) attached at Appendix 8.5 shows Havering's commitment to ensuring residents affected by the regeneration programme are supported and treated fairly throughout the process, and receives the long term benefits of regeneration.

1.19 Stock Condition

Following comprehensive assessment, current stock condition data has indicated that the sites identified for regeneration are either negatively impacting on the AMP or are projected to perform badly in the future, despite the levels of capital expenditure projected to be spent on the assets in the medium term. The financial modelling that follows indicates that a comprehensive redevelopment solution will be financially preferable to attempting to continue to maintain the sites within current revenue and capital constraints.

The continuation of the current maintenance regime will not increase either diversity of tenure, or quantum of available housing stock. It will not contribute therefore to the Council's strategic ambitions as set out above. The latest review of the Housing Asset Management Strategy and Plan presented to Cabinet in 2016 contains the detailed information relating to stock condition within Havering. It is this information that identifies the worst performing buildings in the Housing portfolio.

1.20 Estate Regeneration – The approach

To meet the objective of assessing the feasibility and viability of regeneration, it was necessary to establish a financial model. Capacity studies were produced for each of the 12 sites to determine the optimum development capacity.

Initially, the Council produced 'in house' financial appraisals predicated on these capacity studies. The site-specific financial models also considered key development criteria, namely:

- Development costs
- Sales revenues
- Programme duration
- Build methodology
- Sequence and phasing of build
- Tenure mix
- Rate of Sale

Each financial model was captured in a consolidation tool to provide a global discounted cash flow for the entire estate portfolio.

The external MDT was then invited to interrogate the model and assumptions and validate or refute the outcomes. Following extensive appraisal by the MDT a baseline model was adopted and the core principles and objectives translated into the documents used throughout the competitive dialogue process.

A financial dashboard was developed in order to identify high level financial impacts of this project. The outputs from the financial model identified above, along with information from the bidding organisations has all been used to populate the final financial dashboards that are informing the assessment of this proposal and the final Cabinet decision.

Originally, ten organisations submitted their response to the selection questionnaire. These were long listed to six organisations who started the dialogue process. Of these, three organisations were shortlisted to continue and complete dialogue and invited to submit final tenders.

Subject to Cabinet approval, selection of the preferred private sector development partner is anticipated in January 2018. That will mean that the "winning bidder" will achieve "Preferred Bidder" status whilst work continues on final confirmation of the legal documents that will govern the JVLLP to be set up and the Council funding is confirmed through the 2018/19 council budget setting process. Once all is confirmed, the Preferred Bidder will be formally awarded the contract and the JVLLP can be set up.

Following selection of a partner and formation of the JVLLP, there will be a 12 month pre-commencement programme, which will incorporate the following key activity:

- Design development
- Stakeholder and statutory consultation
- Site assembly (Inc. CPO if appropriate)
- Legal and technical due diligence
- Land referencing

One of the principles to be tested through the procurement exercise was the level to which the market would be able to increase the baseline number of homes on the sites (see 1.17.1 above), whilst keeping within reasonable density levels, and the extent to which more affordable homes could be delivered. The baseline number was built into the procurement objectives with the overage levels to be assessed through the bidding process.

Due to the size of the potential development on all 12 sites and the financial viability issues it would not be practicable to start work on all sites simultaneously. It was therefore proposed that the following 4 sites are prioritised:

- Waterloo Estate
- Queen Street (as part of the Waterloo Estate).
- Napier & New Plymouth
- Solar, Serena & Sunrise Court

Whilst these four sites are only 25% of the total sites, they would provide nearly 50% of the total new housing via this project. The next phase of sites to be bought forward will be reviewed once the JVLLP has been set up. The prioritisation of sites agreed at Cabinet in October 2016 is:

- Waterloo Estate
- Queen Street Sheltered Scheme
- Napier and New Plymouth
- Maygreen Estate
- Park Lane Sheltered Scheme (part of Maygreen Estate)
- Oldchurch Gardens
- Farnham, Hilldene and Chippenham Road
- Solar, Serena and Sunrise Sheltered Scheme.

From this priority list the first phase of sites is Waterloo Estate (including Queen Street Sheltered Scheme), Napier and New Plymouth and Solar, Serena and Sunrise. The next phase will be chosen from the above list and will be subject to an assessment of financial viability.

Part of the procurement process is to establish a set of metrics that will be used to assess the value for money for the costs of construction on the first batch of sites and further sites as they are bought forward. Each bidder is aware that the parameters they submit for the first four sites will be set and used to assess the delivery of the future sites.

In addition, as the dialogue sessions progressed, solutions have been sought from each bidder to show how value for money will be achieved, and evidenced, throughout this relationship. The first key principle established is that the council, as a joint member of the JVLLP board will see all costs and revenues associated with the contract. Secondly, each bidder has identified that they intend to procure, through formal tendering processes, all works packages and these will be reported to the JVLLP board.

Presently, commencement on site for Phase One of the programme is planned for March 2019. The indicative programme duration for completion of the entire regeneration portfolio is 10 years as attached at Appendix 8.6.

1.21 Commercial Principles

To deliver the regeneration of the 12 HRA Sites, the Council intends to partner with an organisation that can jointly plan, design, fund and deliver the programme of sites over a 10 plus year period. This offers a partner access to a pipeline of residential development sites in a growing part of London, and a long-term partnership with an ambitious London local authority committed to growth and development.

The competitive dialogue process has provided scope for bidders to put forward solutions that meet the Council's objectives. Initial work undertaken by the Council gave the starting principles for this dialogue with bidders:

- The Council and the partner will be members in a limited liability partnership for a minimum defined term subject to renewal.
- The JVLLP will take the form of a 50/50 deadlock limited liability partnership in which the JVLLP Partners will each hold an equal interest.
- The principal parties involved in this Joint Venture Vehicle are:
 - the Council
 - the Private Sector Development Partner (PSDP)
 - the Joint Venture, structured as a limited liability partnership
 - the PSDP Guarantor
 - the Development Manager
 - Providers of works and services
- The JVLLP will be governed by a Members' Agreement that sets the JVLLP's objectives, how it will operate and the financial arrangements.
- The JVLLP will propose an overall Business Plan and individual Site Viability Plans that will set out how each Site is delivered. The Business Plan must be agreed by Cabinet annually and will be reviewed quarterly.
- A template Site Development Plan, and approvals process, governing all sites will form part of the Partnership Agreement.
- Funding requirements will be agreed and set out in the Site Development Plan. The PSDP and the Council will provide initial working capital to develop proposals.
- An equal number of representatives appointed by each JVLLP Partner. The Board should not be too big or too small to manage to the business of the JVLLP. The right commercial

people need to be appointed so that the Board is a viable commercial decision-making entity. It is expected each partner will appoint three board members.

1.22 The Sites

The Housing Regeneration Programme currently comprises of 12 sites. The baseline future numbers are shown in section 1.17.1 above. However, additional numbers are possible across the sites up to a maximum that would be permitted by planning requirements. As stated in the guiding principles for this project, this is about good development and not just maximising numbers of units.

Whilst the baseline numbers have been used to inform the process, in order to maximise the value of the sites and thereby maximise the provision of new affordable housing, the market exercise is expected to identify higher numbers for each site. To inform the initial viability assessment for this project the council undertook an exercise to identify the capacity for each site along with an indicative unit type mix along with some design parameters to show that the developments could meet planning requirements. That information is indicative only and is provided below. The red line boundaries for each site are attached as Appendix 8.7.

i. Waterloo Estate

The Waterloo Estate is located within Romford on the western edge of Romford town centre. Approximately 4 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within Romford Town Ward in Havering. The site itself is located south of London Road and directly west of the A125. Directly to the east of the site across, the A125, is The Brewery Retail Park. Romford town centre lies beyond this. The Estate also lies directly southeast of Cottons Park. To the south of the site is the railway line along which Crossrail will run.

The London Plan identifies Romford as a Metropolitan Centre. These centres are earmarked for the intensification of commercial and residential development as well as improving the competitive choice of goods and services. The Waterloo Estate regeneration will, along with the Bridge Close regeneration proposals, see the start of a major change to Romford Town centre as the arrival of Crossrail in Romford prompts an increase of new build development in the Romford area.

The capacity proposal for Waterloo Estate provides 1,110 homes, with a mix of 1, 2 and 3-bed apartments, 3-bed maisonettes and 3-bed houses. On the eastern edge of the estate the design response is to maximise vistas from the ring road into the estate, integrating the estate into the wider area, and helping to 'humanise' the ring road.

Winter gardens have been incorporated into some buildings fronting Waterloo Road, as a way to increase floor space without having to deliver entirely single aspect units. Thought has been given to phases to enable development parcels to come forward separately from the central development parcel, upon which the two existing towers are situated. Podium parking in buildings with less floor space has also been minimised.

Where the storey heights are already constrained by neighbouring development, three-storey townhouses have been proposed.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis, which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.
- Improve infrastructure provision on the site and surrounding area, including roads.

ii. Queen Street

The Queen Street Estate is located on the western edge of Romford town centre. It forms part of the bigger Waterloo Estate (see above). It is approximately 4 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within Romford Town Ward in Havering. The site itself is located south of London Road and directly west of the A125. Directly to the east of the site across the A125 is The Brewery Retail Park. Romford town centre lies beyond this. The Estate also lies to the south east of Cottons Park. To the south of the site is the railway line along which Crossrail will run.

The capacity proposal for Queen Street provides 36 homes with a mix of 1, 2, and 3-bed apartments and maisonettes.

Practically, this site will become part of the Waterloo Estate regeneration.

iii. Napier and New Plymouth House

Napier House and New Plymouth House are located in Rainham, a town located 2.3 miles to the south east of Dagenham and 4.8 miles to the south of Romford, approximately 15 miles east of Central London and within the Ward of South Hornchurch in Havering.

The estate itself is located 0.8 miles from the centre of Rainham. The area north of the estate is predominantly residential. To the south of the estate, there is an industrial area and beyond that is the River Thames. To the east of the industrial area are the Rainham Marshes Nature Reserve and the RSPB Visitor Centre.

Rainham has a historic village core, with over 40 independent specialist shops and restaurants. The majority of the independent shops are situated within a designated conservation area. Many of the shops were formally Georgian cottages, which were transformed into shop frontages in the 20th century forming the heart of the village.

The capacity proposal for Napier & New Plymouth provides 200 homes across 4 apartment blocks on the southern boundary and houses on the northern boundary to reconnect with the existing urban grain. The urban design response provides positive frontage to both New

Road and Dunedin and removes the majority of parking away from the street in the form of rear private parking courts. The houses located on the northern edge are predominantly 2/3 storey, the blocks on the south step up from four storey terminating at a nine storey focal tower.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis, which is complementary to existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.
- Improve infrastructure provision on the site and surrounding area, including roads.

This estate is close to the new Beam Park community that will be developed as the new Beam Park station is built and will contribute to the overall regeneration and place making of that new community as part of Rainham Housing Zone initiative.

iv. Solar, Serena, Sunrise Courts

The Solar, Serena, Sunrise Estate is located in Hornchurch, a town located 2.5 miles to the south east of Romford, 1.5 miles west of Upminster and 4 miles north of Rainham, approximately 16 miles east of Central London and within the Ward of St Andrews in Havering. The site is located next to Harrow Lodge Park, approximately one mile to the south west of Hornchurch town centre.

The area surrounding the estate is predominantly residential. Harrow Lodge Park is adjacent to the west of the estate with the Chase Nature Reserve beyond that, 1.5 miles to the west of the estate. There is a wide residential mix in Hornchurch in terms of both a range of units and a range in values.

The capacity study for Solar, Serena and Sunrise provides 200 homes with a mix of 1 and 2 apartments. The block arrangement has been focused on providing positive frontage, attractive semi private amenity spaces and maximising the distant views to the open space to the north of Park Hill Close.

The blocks heights range from four storey in the North where there are existing dwellings in close proximity stepping up to 8 storey in less sensitive areas. Reference has been taken from the existing tower blocks when developing the development proposals.

Semi private courtyards have been created to the south and northeast maximising the benefit of the site orientation and sun path. The existing parking zones have been enhanced with landscape elements to soften the visual impact.

This site is an existing sheltered housing scheme. It suffers with a proportion of unlettable bedsit units and poor accessibility. It's location to the park and transport infrastructure makes it ideal for redevelopment as a modern extra-care sheltered scheme with provision for

dementia sufferers. The detail of the modern extra-care provision and the demand for such housing is identified in the Older Persons Housing Review. There will also be purchase options for those older persons who want to downsize and buy into a supported environment.

Proposals for the new site will need to:

- Transform the site by providing high quality retirement village with extra care facilities on a tenure blind basis.
- The development should be complementary to existing dwellings with a 70:30 split between market sale and affordable housing.
- Consider the impact of additional car parking on existing dwellings.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

v. Maygreen Crescent

The Maygreen Crescent and Park Lane Site is located within the community of Hornchurch, a town located to the 2.5 miles to the south east of Romford. It is approximately 18 miles northeast of Central London and within the Ward of Hylands in Havering.

The site itself is located south of the Park Lane Recreation Ground and to the north and east of the Roneo Corner Retail Park, Romford. Park Lane runs along the Eastern boundary of the site. The Estate is located less than 0.1 mile to the north of the Hornchurch Road (A124).

The capacity study for Maygreen Crescent creates a series of linear blocks on the East and Western boundary of the site. The proposed semi-private central landscaped amenity runs North to South and serves to create a link with the neighbouring park to the North.

The capacity proposal for Maygreen Crescent provides 200 homes with a mix of 1, 2 and 3-bed units. Building heights range from 4 storey on the eastern boundary stepping up to 6 storey on the blocks located in the north-west. There are no north facing single aspect units proposed in the study. The perimeter parking arrangement has been integrated into the scheme in the form of private parking courts.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis, which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.
- Improve infrastructure provision on the site and surrounding area, including roads.

vi. Oldchurch Gardens

The Oldchurch Gardens estate is located within the Romford on the south western edge of Romford town centre. Approximately 3 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within the ward of Brooklands in Havering. The site itself is located south of Oldchurch Road, which provides access onto the A125 and east of Dagenham Road, which runs south into Dagenham.

Directly to the east of the site is Oldchurch Park and beyond that Queen's Hospital. Romford Cemetery lies to the west of the site. The Estate also lies directly south east of Romford Gas Works. To the north of the site is the new build development Oldchurch Park that is being developed by Nu Living (an arm of Swan Housing Association).

The capacity proposal for Oldchurch Gardens provides 300 homes with a mix of 1 and 2 bed properties. The massing and proposed storey heights are in keeping with the existing context. There is an opportunity for a high quality podium deck garden for residents' use and the site benefits from overlooking the hospital green / park to the east.

The capacity study proposes private secure under croft parking – reducing the visual impact of the car on the street scene. It also proposes strong urban design principles maximising views of the park for a large percentage of the units, as well as designing out north facing units as far as possible.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis, which is complementary to existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.
- Improve infrastructure provision on the site and surrounding area, including roads.

vii. Royal Jubilee Court

Royal Jubilee Court is off Gidea Close, in Gidea Park, 1.1 miles to the north east of Romford and 6.5 miles to the west of Brentwood, approximately 15.5 miles east of Central London and within the Ward of Pettits in Havering.

The site itself is surrounded by Raphael Park to the west and a residential area to the east. To the south is Main Road, which connects Romford with the A127. The estate is located in the affluent neighbourhood of Gidea Park. Many of the properties have outdoor swimming pools and Gidea Park Lawn Tennis Club is in the centre of the residential area, 0.1 mile north of the estate. Raphael Park is a large landscaped park originally designed by Sir Humphry Repton, consisting of a lake, sports facilities, cafe and a large play area.

The capacity proposal for Royal Jubilee Court provides 150 homes in four apartments blocks arranged in a semi-formal configuration. The key drivers for the layout response has been focused on providing a strong frontage to Main Road and maximising the impressive views North for the majority of units.

The proposed blocks contain a variety of 1 and 2 apartments for use as extra care retirement housing and range in height up to 3 storey plus mezzanine.

Proposals for the new site will need to:

- Transform the site by providing high quality retirement village with extra care facilities on a tenure blind basis, which is complementary to existing dwellings with a 70:30 split between market sale and affordable housing.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

viii. Dell Court

Dell Court is located in Hornchurch, a town located to 2.5 miles to the south east of Romford, 1.5 miles west of Upminster and 4 miles north of Rainham, approximately 16 miles east of Central London and within the Ward of St Andrews in the Havering. The estate itself is located along Ravenscourt Grove, close to the centre of Hornchurch.

The area surrounding the estate is predominantly residential, although the estate is adjacent to a cemetery. Harrow Lodge Park is 1 mile to the west of the estate and Gaynes Parkway is 0.7 miles to the south. There is a wide residential mix in Hornchurch in terms of both a range of units and a range in values.

Hornchurch is identified in the London Plan as a local district centre with 31,000 square metres of commercial floor space. It is not considered a significant commercial office location but within Havering, it is identified as one of seven town centres in the borough. Known as a commuter town, a large proportion of its population commute to Central London each day to work.

The capacity proposal for Dell Court provides 40 homes with a mix of 1, 2 and 3-bed units in four linear apartment blocks. The two blocks fronting Ravenscourt Grove are predominantly 3 storey respecting the existing context. To the rear of the site two 4 storey blocks are proposed and are framed by the private landscaping and parking court.

Provision for parallel parking has been provided at the front of the development that is typical of the existing street.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis for over-55s.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

ix. Delderfield House

Delderfield House is located along the border between Collier Row and Rise Park, in a suburban area located 1.5 miles to the north of Romford and 7.5 miles to the west of Brentwood, approximately 16 miles east of Central London and within the Ward of Pettits in Havering.

The area surrounding the estate is predominantly residential with a small industrial area located 1 mile to the south west of the site. Lawns Park is situated half a mile to the north of Delderfield House.

Collier Row town centre is one of four minor district town centres within the London Borough of Havering. It has over 70 shops and restaurants and the majority of these outlets are small independent traders.

The capacity proposal for Delderfield provides 30 homes with a mix of 1, 2 and 3-bed units. It is based on two blocks fronting onto Havering Road/Portnoi Close with a central private landscaped amenity. Parking has been provided in the form of private parking courts located in front of the blocks.

Proposals for the new site will need to:

- Work within a constrained site area to produce the best possible design layout and unit mix for the site.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

x. Delta Estate

The Delta Estate is located within the ward of Squirrels Heath in Gidea Park, a town located 2 miles to the north east of Romford. Approximately 12 miles east of Stratford, 5 miles west of Brentwood and 20 miles to the north east of Central London. The site itself is located to the north of Squirrels Heath Lane with Elvet Avenue running north to south through the site. The surrounding area is largely residential with a small amount of retail located around Gidea Park station.

The capacity proposal for Delta provides 350 homes comprising 1 and 2 bed apartments and 3 bed houses. The height of the blocks gradually increase from 4 storey (relating in scale to the existing low rise housing on the east) stepping up to 9 storeys at the T junction of Elvet Avenue. Parking is provided in the form of rear parking courts which have been softened by focal trees and low level hedging.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

xi. Farnham, Hildene and Chippenham

The Farnham and Hildene estate is located in Harold Hill, a town located 3 miles to the north east of Romford and 4.5 miles to the south west of Brentwood, approximately 17.5 miles north east of Central London and within the Ward of Gooshays in the Havering. The estate itself consists of flats above retail units to the south of Hildene Avenue in the centre of a largely residential area.

The area surrounding the estate is predominantly residential. The recreational area of Central Park is located 0.3 miles east of the estate.

Harold Hill has benefitted from the Harold Hill Ambitions regeneration project that was launched in 2007. As part of the programme, a number of new facilities were built including a library and a new centre for young people. The library is located on the estate.

The capacity study for Farnham, Hildene and Chippenham looks at the possibility of adding additional 1 or 2 storeys to the existing building and does not require the demolition of any existing units.

The existing development is currently 4 storey. The assumption at this stage is that roof top development would provide 63 homes; this is subject to further design work including building surveys and structural review. We have not reviewed the parking requirements for the proposed redevelopment at this stage and assume, subject to further parking surveys, that there is capacity in the current layout

Proposals for the new site will need to:

- Increase the density of the estate in a way that is sensitive and appropriate to the existing building.
- Consider the impact of additional car parking on existing dwellings.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

xii. Brunswick Court

Brunswick Court is located within the Cranham neighbourhood of Upminster. The site is located south of Macon Way, east of Waycross Road and north of Brunswick Avenue. It is located within a largely residential estate with a small retail parade located approximately 0.1 miles to the west of the Brunswick Court. Upminster, which is located 1.4 miles to the south of the site, is the main commercial hub in the area. It is an existing sheltered housing scheme.

The capacity proposal for Brunswick Court provides 50 modern extra care sheltered homes with a mix of 1 and 2 bed units. All blocks are predominantly 3 storey respecting the existing context.

Proposals for the new site will need to:

- Provide an extra care sheltered facility with a 70:30 split between market sale and affordable housing.
- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis.
- Provide appropriate infrastructure and adequate car parking.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

1.23 Resident Engagement

The Council has undertaken a significant amount of regenerating across all of the estate. Detail is provided in the Management Case section of this Business Case.

1.24 Potential Land Acquisitions – Additionality

The Council has actively reviewed and evaluated various land holdings.

The successful private sector partner will be actively encouraged to deliver additionality via further land assembly. High-level development appraisals have been undertaken to ascertain viability, potential marriage value and improved saleability resulting from further land acquisition.

1.25 Decanting and Vacant Possession

One of the Council's objectives and guiding principles is to offer all residents the right to return to their existing estate following regeneration. Predicated on the existing 'baseline' financial model Havering and the MDT have constructed a schedule of anticipated starts on site, completions and occupations (see Appendix 8.6). In addition, based upon projected build durations, the attached schedule at Appendix 8.8 illustrates the quarterly decant requirements over the project lifecycle.

1.25.1 The Local Lettings Plan

The Local Lettings Plan is the document that provides full details on the re-housing options for those tenants who have to move off the sites because of the regeneration proposals. Associated with this document is the Decant Policy and Possession Procedure document. The council carried out a twelve weeks consultation process on these documents so that residents could have a further opportunity to give their views on the "offer" within the documents could have a further opportunity to give their views on the "offer" within the documents in addition to the extensive consultation that is being undertaken with regard to the regeneration proposals themselves.

The Local Lettings Plan consultation was promoted in "At the Heart", "Sheltered Times" and "Living" publications, during the estate open meetings, one to one sessions, social media posts, and direct letters to tenants on the affected sites. The Council produced an on-line

survey response form to collect comments from residents. Comments received outside of the online survey have also been taken into consideration. This was also the subject of significant consultation prior to it being uploaded onto the Council website in November 2016. This document has been used to inform the decants that have been carried out thus far, by negotiation. However, as the timetable moves closer to the deadline for achieving vacant possession of the sites, the formal consultation exercise is being carried out ahead of any formal possession proceedings.

The Local Lettings Plan and consultation process is on the agenda for the January 2018 Cabinet.

1.25.2 Vacant Possession Update

Across the first four sites to be developed there are a number of existing residents. They will either be tenants or leaseholders/freeholders. The table below provides details on the occupancy of the initial four sites at the start of this process back in June 2016 when Cabinet gave its agreement to move forward with the regeneration programme. Most decant activity has occurred since January when the decanting process started in earnest. Queen Street and Solar, Serena and Sunrise are sheltered schemes.

Estate	Tenancies Oct 2016	Tenancies decanted	Tenancies matched	Tenancies remaining
Waterloo Estate	171	51	6	114
Queen Street	28	28	n/a	0
Napier/New Plymouth	86	48	3	35
Solar, Serena and Sunrise	30	4	4	22

The next table below shows progress in relation to the negotiated purchase of leasehold and freehold homes on the first phase estates. There are no leasehold properties in sheltered schemes as the RTB does not apply to sheltered schemes.

Estate	Total fhld/lhld	Properties purchased	Under negotiation	Fhld/Lhld remaining
Waterloo Estate	71	24	21	26
Napier/New Plymouth	10	4	2	4

The two tables above were correct as at 1st December 2017

The decant process has been informed by the extensive consultation with residents and is being carried out via direct offers of accommodation based on the decant assessment form completed with every tenant. This form details the type of property that would meet the needs of the tenant and their household. Offers of suitable accommodation are based on housing need, not on a like for like basis. Two offers of suitable accommodation are being made to tenants via this route. Failure to accept either of these properties will, in the course of time, result in a more formal approach to obtain possession. However, even whilst the more formal route is being pursued, officers will continue to work with tenants to make the two reasonable offers.

1.25.3 The offer to tenants

The key is for the council to be able to find suitable alternative accommodation for existing tenants. It is for this reason that the decant assessment form referred to in section 1.25.2 above is so important. The offer made to tenants has been shaped over the many

consultation events and is:

- Two reasonable offers of accommodation will be made.
- The offers will be based on housing need.
- All information regarding need will be taken account of in making matched offers.
- Offers will be made through direct allocation and not via the bidding system.
- All verified information provided by the resident regarding need and requirements will be taken into account.
- Location of offer will be matched as far as possible to preferred location of tenant but will be subject to availability.
- All reasonable out of pocket expenses will be met via the disturbance payment process.
- The council will take into account the wishes of the tenant where possible if this is outside of requirements identified as “housing need”.
- A one off statutory home loss payment of £6,100.

Havering is also offering an additional support package to make the process of moving easier. The help given to tenants includes using Council approved contractors to:

- organise the move including packing belongings, but not unpacking.
- unpacking can be provided to those who are most vulnerable.
- supply and fit new carpets and curtains chosen from a range of reasonably priced options
- disconnect and reconnect cookers, washing machines and similar equipment
- the above work is carried out at no cost to the tenant.

In addition, tenants can organise:

- post redirection
- water, gas and electricity and other utilities to be disconnected and reconnected
- although Havering will pay the reasonable cost of such work.

1.25.4 The offer to leaseholders and freeholders

The council is offering to buy back residential properties on the sites at a fair market valuation. Havering is working with three local agents who will provide “independent” valuations on properties so that negotiations can agree a contract price to achieve vacant possession. In the event that a valuation cannot be agreed, the owner can obtain their own independent valuation to help negotiations. If this does not achieve an agreed valuation, an independent third party is asked for a valuation. The council must offer a fair market valuation as failure to agree a price will ultimately result in a CPO situation. In such a circumstance, the valuation made by the District Valuation Service will be set at fair market value and the council must be seen to be acting fairly in its negotiations prior to any CPO process. In addition the council must pay a 10% compensation payment for resident owners and 7.5% for absentee owners.

1.26 Strategic Summary

The transformation envisaged for the 12 HRA sites will not be achieved without significant and well planned intervention providing a consolidated approach towards regeneration. This in turn must be enabled by the strategic assembly of the sites mainly through achieving

vacant possession of the residential units. The process must also ensure that good practice is achieved in relation to estate regeneration as this project is about redevelopment of established communities and occupied sites. The impact on, and needs of the existing residents, must be considered and safeguarded in order to successfully deliver the project.

The preferred option is for the Council to enter into a JVLLP. The PSDP involvement will add significant confidence to the delivery of the programme by providing a share of the capital requirement and also the development and management experience to secure a favorable outcome.

It is concluded that the benefits of the regeneration itself are significant, but these cannot be achieved without intervention and without a JVLLP with a development partner to drive it.

2. ECONOMIC CASE

2.1 Introduction and Purpose of the Economic Case

This section sets out the Economic Case that identifies and demonstrates how the appointment of a JVLLP partner to support the delivery of the development produces a public value. It explains how this is achieved by appraising a long-list of options against how well they meet the agreed critical success factors for the proposed regeneration programme.

2.2 Quantitative and qualitative cost/ benefit analysis and outputs

2.2.1 Non-financial benefits

Although the detailed design process is yet to commence, it has been essential to set indicative parameters in order to undertake the financial appraisal that underpins the business case for entering into the JVLLP venture. The key outcomes based on current modelling are envisaged to be:

- In excess of 2,719 new homes
- Including a minimum of 42% affordable homes
- Modern extra care housing for older people
- On larger developments there is to be commercial floor space, likely to be flexible workspace and small retail/ leisure;
- New and modern public realm experiences including modern waste disposal, public art, increase biodiversity linked to indigenous species.
- New play and recreational space to be provided
- Consideration to be given through the sites on provision for health, education, leisure facilities, transport etc. as part of the regeneration and place shaping process and where it is necessary.
- Considering links with other developments in the surrounding areas and looking for joint delivery of infrastructure
- Significant social value contributions are expected from the scale of the developments.

2.2.2 Ensuring delivery of infrastructure

- The Council's involvement in the decision making of the JVLLP provides the ability to ensure that the delivery of social infrastructure is a prime objective of the developer (i.e. the JVLLP) as well as a planning requirement.
- The baseline appraisal from Housing Services for the first three sites requires the delivery of over 40% of affordable housing for local people. This is in response to our responsibilities as a stock-owning local housing authority and Registered Provider. This provision of affordable housing for developments in the borough is significantly higher than the average level provided previously on development sites across Havering of 12%.
- The use of Housing Revenue Account resources is a cost-effective way of delivering affordable housing. The Housing Revenue Account will retain all income from the properties as well as retaining ownership of the land other than where freehold housing is developed and sold (minimal on these sites).
- Whilst the JVLLP does not gain financially from this arrangement, it does reduce risk in terms of planning and by guaranteeing a purchaser for a significant number of properties.
- The Council will also use its role in the JVLLP to negotiate inclusion of any key infrastructure requirements required not just on these developments but as a contributor to wider regeneration that is happening.
- The JVLLP make significant s106/CIL contributions to the council. The allocation of these resources is a separate decision making process by the Local Planning Authority.
- The nature and location of facilities to meet rising demand for primary health services or education facilities will be matters for the Clinical Commissioning Group to consider as part of its Primary Care Capacity Plan for Havering and for the local authority in its strategic education planning role. These organisations will be fully involved as the detailed planning for the developments take shape so that any requirements can be catered for.
- In the longer term, there is an expectation that the Council will be the freeholder of the entire developments (excluding any freehold disposals) and therefore have a greater level of control over the future stewardship of the new development and management of the new sites.

2.2.3 Social Value

The regeneration programme is an opportunity to embark on a fundamental social value programme for the benefit of local people. The JVLLP will develop a social value plan that will maximise the opportunity and benefit of regeneration to the Council and to local people. This plan will be delivered in four stages:

- The JVLLP will define a vision for social value that aligns with the Council's corporate vision in terms of place making, economic aspirations and community cohesion.
- The vision will be integrate across JVLLP activity, services and operations and involve stakeholder in design and delivery

- Both the Council and the PSDP will be committed to the maximising and delivering social value by establishing strong working partnerships with local organisations
- The Social Value programme will be a measured approach the will seek to plug gaps within the local community in order to effectively meet the needs and aspirations of local people.

As part of the procurement of a PSDP, the Council has specified for the Partner to drive social value in terms of:

- Providing apprenticeships and other skills development, work experience and opportunity access programmes to be provided in the Borough to secure skills to support the delivery of development programme and leave a legacy of workforce investment.
- Offering curriculum support to schools with contractors sharing knowledge and expertise about their discipline.
- Creating supply chain opportunities for SMEs and social enterprises.
- Supporting initiatives such as targeting hard to reach groups and offering training opportunities.
- Investing in delivering facilities such as libraries and leisure facilities to communities and making them available for community use.

Projects will be delivered within the areas of training and skills development, social enterprise and community cohesion and will seek to deliver value beyond the parameters of construction.

2.2.4 Financial benefits

There will be a range of financial benefits to which a monetary value can be attached. These include:

- Additional Council Tax income of £3m once the developments are complete
- Increased NNDR - to be calculated.
- A revenue and capital return to the Council HRA to be reinvested into regeneration of additional sites
- GLA funding of at least £30.2m
- Significant s106/ CIL and s278 contributions.
- Significant investment in new build in excess of £750m, some of which will be spent locally.

2.3 The Case for Intervention

In 2015-16 the Council undertook a detailed review of its HRA Business Plan, associated with the Housing Services Asset Management Strategy (as referenced at Appendix 8.9). In addition, due to increasing concerns about the suitability of the offer to older residents, the Council commissioned a detailed review of its Sheltered Housing portfolio. The concerns were associated with the type of accommodation being offered, bedsit units, and those properties with shared facilities. 114 units had been empty in excess of 10 years with resultant rental loss being incurred.

The findings of the review of sheltered accommodation concluded that not only were these types of units not fit for purpose but, based on the demographic analysis, there was an over provision of socially rented units and no provision for older owners to buy into a supported housing environment. The review also concluded that there was an under-provision of modern extra care housing in the borough with little or no provision to house those people suffering with dementia. Therefore there was a significant case to change the offer and provide more mixed tenure “village style” schemes.

The Asset Management Strategy set out how the Council reviewed its assets and moreover how investment decision were made. The strategy sets out the principal of a review of property condition on a “just in time” basis rather than a component life cycle basis with key estate locations being further assessed on a sustainability modelling technique. This means that in addition to long term investment projections being based on expected and actual component deterioration adding in socio-economic criteria. These include instances of crime and ASB, lettability and periods of rent loss. The portfolio was categorised into various levels of sustainability over a 30-year life cycle.

The resultant outcomes demonstrated that it was not economically viable to continue to invest in the property on these 12 sites. Moreover, if no intervention was made, the schemes would either become or increasingly impact negatively on asset values.

Extensive consultation has been undertaken with residents via consultation events at all sites. The outcomes of this had proven a willingness to participate in wholesale development as opposed to refurbishment and more limited infill developments provided the strategic objectives of the project were achieved. More detail on consultation is provided in the Management Case and Appendix 8.10.

2.4 Other Options Considered and Rejected

The original options for the sites over the past 5 years or so had identified limited improvement work and infill development in order to improve the condition of the properties, reduce the on-going maintenance liabilities and provide a smaller increase the number of affordable homes available for local residents. These wider and more ambitious options have resulted from the extensive work and changes in the financial position of the HRA:

- Complete review of the HRA Business Plan to identify significant resources available to deliver new affordable home in the light of the HRA self-financing regime.
- Completed review of the HRA Asset Management Plan to review poor performing buildings and reduce the on-going maintenance commitment to existing homes via the move to the “just in time” approach to stock investment.
- Review of the increasing supply and demand gap for affordable housing in the borough.
- Consideration of the improved financial viability of existing HRA land ownership afforded from the impact of infrastructure investment such as Crossrail and Beam Park station.
- Consultation with existing tenants and leaseholders and borough residents more widely.

The in-fill opportunities originally agreed as part of the HRA Pipeline proposals and GLA Housing Zone bids were financed through the HRA BP and Asset Management Plan in place at the time. The reviews of those plans has enabled wider regeneration proposals to be considered in order to greatly increase the level of affordable homes provided on the sites by up to 100%, subject to the outcome of the final assessment of bids.

Assessments have been produced over the last 12-18 months to show that increasing the number of houses for affordable rent, low cost home ownership (LCHO) and private sale both on the general needs sites and the sheltered housing sites through regeneration is financially viable. This option will provide significantly more new affordable homes than through a limited infill approach.

The 12 sites have been packaged together following the work described above to:

- Deliver a positive viability over the entire portfolio.
- Achieve a significant increase the amount of affordable housing available to reduce homelessness.
- Reduce the negative asset management value of the stock.
- Achieve estate regeneration on the least desirable council sites to deliver sustainable mixed tenure communities.
- Provide more modern older persons housing.

The Asset Management Strategy and Plan identified several negative value or low value sites that impacted on the HRA BP through poor condition, poor quality and difficult to let properties. The sites do not therefore provide viable refurbishment opportunities that significantly increase the supply of affordable homes.

Doing nothing was not financially viable and did not create sufficient new homes.

This option not only provides positive contributions to the HRA Business Plan financially, by removing low or negative value assets; it increases revenue to the HRA and increases housing numbers. Any overall surplus from this partnership will be used to fund additional provision of the HRA of affordable housing, either on the 12 sites or other sites.

The options for the delivery of this procurement and delivery model that were considered were either a corporate JVLLP partner or a contractual development partner route. Financially, the 12 sites are not all positive and the 12 sites could not be delivered on a site by site basis under a contractual route without "pump priming" by the Council for those sites which are not viable. Including all 12 sites in the procurement enables the more valuable sites to cross fund the less valuable sites. It would not be impossible to do this through a contractual route, but it is easier to do so through a corporate approach as it is intrinsically more flexible in the way phases are bundled and timed for delivery. In addition, the JVLLP route enables a longer term partnership to be developed that enables more sites to be added to this arrangement in future, using the value in the sites to cross subsidise future regeneration possibilities. This approach would not be as readily feasible via the contracting route.

This approach also enables the council to replenish affordable homes lost via the RTB regime which again would not be possible via a more traditional contracting approach where a RSL is likely to require the ownership of the affordable housing.

Consideration was given to the fact that Havering had completed the decent homes programme in 2014. This programme had seen £84m spent on improving properties over the period 2010 to 2014.

Of this £84m invested in decent homes, £62m was been funded via the Government Decent Homes Programme and £22m funded via the HRA. The works were carried out in accordance with the requirements of the asset management strategy in place at the time. The funding was provided at a time before the HRA self-financing reforms came in and at that time the Council had less certainty over its HRA resources. The new HRA self-financing regime enables the Council to consider and plan expenditure with much more certainty in the medium and long term.

The decision to spend decent homes money was taken at a point in time, when that was the correct decision based on what was known at that time. Whilst the works certainly improved the condition of amenities in properties, it did not change the overall medium term impact on the asset management strategy where buildings were costing more to keep up to the lettable standard than the income they provided. Whilst it is not ideal to demolish buildings where decent homes works have been completed, the decision needs to be taken now to achieve the wider objectives of providing more affordable housing. It should also be noted that much of the decent homes work was completed over 5 years ago meaning that significant value has been derived from the work carried out on the regeneration sites.

In addition, the reinvigorated RTB regime has increased the rental property losses to over 100 per year on average, meaning that action needs to be taken to re-provide rental properties to increase rental income and help sustain the HRA finances in the longer term.

2.5 Risks and Sensitivities

Risks will be monitored and managed in a number of ways, both within the JVLLP and independently within the Council:

- all reports to Members relating to 12 Sites and the JVLLP including the review of the JVLLP Business Plan.
- detailed reports to the JVLLP Board prepared by the Development Manager which will be independently scrutinised by the Council's client team.
- the Councils Execview performance monitoring system.
- other governance and financial reports to Members as advised by the Councils s151 and monitoring officers.

The risks considered to be most significant are summarised in Appendix 8.12 in a format consistent with Execview. A sensitivity analysis on potential HRA and housing development variables has also been conducted and has been summarised, and attached at Appendix 8.13, to demonstrate the impacts of both improving and worsening conditions that could affect the delivery of the programme.

2.6 Summary – The Preferred Option

The preferred option for delivering the proposed regeneration of the 12 sites is a 50/50 Joint Venture Limited Liability Partnership (JVLLP) between the Council and a private sector development partner. The JVLLP will be responsible the design and construction of the new developments and obtaining sufficient resource, including construction debt, to deliver the regeneration programme.

The build cost of the development programme across the 12 sites is estimated to be £525m, generating a Gross Development Value (GDV) of £750m including finance costs. Any surplus would be returned to the JVLLP of which the Council would have a minimum 50% share. The current assumption is that this will remain in the JVLLP to deliver further regeneration opportunities. Affordable housing funding provided by the GLA and the Council will assist with the maximisation of the provision of affordable homes at rental and ownership levels that are affordable to local people on local incomes.

The revenue from open market housing sales is expected to support the funding requirements of the programme of development including the provision of affordable homes. All the sites will generate S106 and CIL payments that will pay towards upgrading the infrastructure in the areas where these developments are taking place. Finance will be required however, to support the cash flow that will ultimately be derived from the market sales activity.

To provide this level of funding would be a significant undertaking for the Council to deliver alone. The PSDP will assist by investing alongside the Council to provide capital to the project and to defray risk both through a sharing of risk and reward but also by providing experience to support the JVLLP board in its management of risk. It will also raise finance to enable the development to progress.

Overall, the economic, social and environmental benefits of the proposed regeneration to be delivered by the proposed JVLLP exceed the estimated costs. A sensitivity analysis has modelled cost inputs and assumptions relating to land assembly, construction costs and the housing market. This shows there is headroom within forecast surpluses with which increases in land assembly and/or build costs or decreases in housing sales prices can be managed before viability is challenged.

The JVLLP would manage the sales risk involved in each regeneration site and seek to drive value from well designed and phased schemes that are focused on the provision of affordable homes and, critically, sales arising from private market homes. The PSDP with their regeneration experience, will bring improved efficiencies in construction through a well-managed delivery framework of contractors and advisors, and development management experience.

Despite risk management, the Council as a member of the JVLLP, will face risks in the delivery that might not be met by surpluses returned from the JVLLP during or after the programme of development has concluded. This being the case, it is judged that the primary purposes in being a corporate member in the JVLLP are non-commercial and socio-economic in their nature and are to secure the regeneration of the 12 sites. This is confirmed by the legal advisors in their advice provided at Appendix 8.14.

3. COMMERCIAL CASE

3.1 Introduction and Purpose of the Commercial Case

This section sets out the Commercial Case for the preferred option – the 50/50 Joint Venture Limited Liability Partnership (JVLLP) between the Council and private sector partner. The Commercial Case demonstrates that this will result in a viable procurement and a well-structured deal. This section considers the procurement strategy, contractual requirements and the key parameters of the commercial arrangement between the JVLLP partners.

3.2 Strategic and Delivery Options

The overarching aims of any procurement and resulting delivery structure will be to deliver new replacement and additional housing within the context of the Councils project objectives existing policies and best practice guidance for estate regeneration. This section sets out to analyse the different delivery approaches that are available to the Council, and the extent to which they can assist in meeting the strategic objectives and housing requirements.

Direct Development

The Council could carry out estate renewal itself. This could be done by the use of funding and available grant to work up schemes in conjunction with relevant stakeholders as appropriate. The Council could develop out sites itself. This option will involve the use of conventional approaches to take forward sites and it is dependant to some extent on the Councils appetite for risk, ability to deliver at scale and pace, and the availability of funding. The direct development option would envisage the Council taking risk in areas such as master planning, design, finance and sales and marketing (for market sale properties), although it could buy in services to assist in managing this risk.

Disposal of Individual Sites

Under this option, the Council takes forward sites (subject to available resources) and sells them into the market. Sites could be sold individually or packaged (i.e. through the creation of development platforms). Sites could be sold on a phased basis over time through development agreements/ conditional land sale agreements (with or without overage provisions) to the private sector or other public sector stakeholders.

This would involve the Council marketing sites so that they could be disposed of on a straight sale basis as freehold or leasehold assets. However, due to the complexity of regeneration schemes on housing sites these would be marketed with the appointment of a strategic development partner.

Joint Venture

A joint venture could be established, either on an overarching basis or on a site-by-site basis.

Overarching Vehicle

Under this option, the overarching vehicle (OV) is established between the Council and a strategic partner to create a partnership with responsibility for developing each of the sites through a corporate entity (which would become a public/ private developer). It is most likely individual sites or works packages would be undertaken through subsidiary vehicles to maintain the flexibility required for development finance and mitigate risk.

The Council would control exposure to the OV by ensuring that sites/ works packages are only drawn down once conditions precedent are satisfied i.e. planning, viability, agreement of business plans etc. The partner, which could comprise a consortium would provide finance and act as development manager for the OV.

The OV can provide a strategic role in taking schemes forward, which would allow the Council to add additional land through further site assembly.

Site Specific Vehicles

Under this model, the Council would establish site specific joint venture vehicles, with potentially different private sector partners. Each of these would comprise a separate development when conditions are satisfied. The Council would retain some control and influence over design, density, tenure and specification via the development agreement. Albeit this may impact on sales value, the Council would also receive sale proceeds and overage as the sites are developed out.

In relation to property the Council retains, the Council would need to appoint the developer to act in the capacity of contractor (or potentially to manage the contractor on a “cost plus” basis) to undertake the construction works for these elements on the Councils land.

Each individual vehicle would take the form of a special purpose vehicle, which would be owned equally by the Council and the private sector partner. Each vehicle would need to be procured separately and require its own governance structure with associate management resource and costs. The Council would put in an estate (subject to satisfaction of certain conditions) and the private sector partner would invest equity and act as development manager for the vehicle. The vehicle would then develop out the estate according to a pre-agreed business plan.

Council Wholly Owned Vehicles

The Council already has a wholly owned company Mercury Land Holdings. This vehicle is an independent company, at arm's length, albeit owned by the Council. It is not controlled directly by the Council, and not controlled by borrowing limitations and the funding restrictions applicable to the HRA.

It has the potential to offer flexibility on tenure and the ability to develop mixed tenure schemes including homes for sale, shared ownership and rented accommodation at social, affordable and market rents.

Subject to scheme viability, this flexibility can enable cross subsidy between tenures. The assets and debts of the company remain wholly on the public sector balance sheet with private sector involvement limited to works and services paid for by the company corporate structure.

A review of the potential delivery options has been undertaken and each have been considered, with reference to:

- The means by which they will assist in meeting the required outputs and objectives of the Council
- The extent to which they will support the Councils policy objectives
- The pros and cons of each option.

i. Option 1 – Direct Development by the Council

The Council would develop out sites itself and manage estate renewal projects.

Pros

- The Council retains control over development of the sites. This may be of particular benefit given that these are estate renewal sites.
- The financial benefits from sites would not need to be shared with a partner hence the Council would retain all development profits.
- The Council has complete discretion to choose when schemes come forward

Cons

- The Council has limited capacity and expertise to take sites forward itself, meaning progress would be slow and comprehensive estate renewal would be challenging. Some of the risk could be mitigated through the appointment of a development manager but this incurs increased costs and does not mitigate all of the development risk.
- The Council has limited finance for investment and limited access to third party funding.
- The Council is exposed to 100% of market and tenant risk throughout the development and investment programme. The Council would need to determine whether they are prepared to undertake speculative development outside social housing.
- The Council is required to take substantial financial risk and there is a requirement for internal funding resources and use of borrowing headroom. All finance would be on balance sheet.
- The Council take delivery risk on projects. It would need to manage contracts and internally resource the development management function.
- There would be reputational damage if projects were not delivered or were unsuccessful.
- The internal decision making timetables inherent in local government may extend the programme duration.
- This approach could not accelerate the delivery of estate regeneration.

ii. Option 2 – Disposal of Individual Sites

The Council take forward sites (subject to available resources and funding) and then sells the sites into the market either as individual sites or in packaged phases.

Pros

- The Council may receive capital receipts which may be used to cross subsidise other schemes, or to support the Council's financial position.
- Miscellaneous assets within the Council's portfolio which do not meet the Council's objectives could be disposed of.
- The majority of development risk and the costs of estate regeneration are passed to development partners.
- Allows the Council to react to market forces i.e. could sell assets as and when appropriate to achieve best value.
- It may be possible in certain circumstances, (on which further advice would need to be taken, as this is a complex legal area), to follow a non-EU Public Procurement Law compliant route, although given the scale of these estates, this may be limited, and may not be cost efficient in procurement terms. Broadly speaking, if a non EU Public Procurement Law compliant route was followed, the Council would need to ensure that there is no enforceable obligation to deliver works on the site. Therefore if the Council wants any degree of control or influence over design and quality/ timing of delivery it would need to run an EU public procurement law compliant OJEU advertised procurement.

Cons

- The Council has limited enjoyment of future receipts, and this is not totally mitigated by overage provisions.
- The council is unlikely to maximise returns. All developer return would go to the partner.
- Clawback and overage provisions are difficult to manage and are often not transparent.
- Development agreements are less flexible in the context of long term/ multiple site developments running over different market cycles.
- Market appetite for developers to take on the risks and costs of estate renewal sites in isolation may be limited, and where there are viability 'gap-funding' issues, this will be exacerbated.
- There is limited opportunity for bringing in private sector knowledge, skills and leveraging investment to the authority.
- If sites are required to be sold to demonstrate activity, could result in disposals at the bottom of the market.
- This is a single dimensional approach, and may require the Council to commit to a single developer per site.
- The Council has little control of when sites are taken forward and how, and to what extent, the delivery of those sites will achieve the Council's objectives.
- Its control will be exercised through conditions of sale, which will impact on the value of receipts for land.
- There is limited control or influence over the quality of development other than through planning.
- There is a considerable risk of 'land –banking' until more favourable market conditions arise and risks are reduced, therefore limited opportunity for quick delivery wins, or acceleration of development delivery from that of the current situation.
- The council; may be exposed to property market risk.

iii. Option 3 – Development and Regeneration by a Wholly Owned Company

The Council would use Mercury Land Holdings, or another vehicle established for this purpose to develop sites and carry out estate regeneration.

Pros

- A separate Council owned company has greater flexibility on tenure and offers the ability to develop mixed tenure schemes.
- Cross subsidy between tenures is possible.
- The Council retains total control over the physical development of the sites.
- The Council retains profits generated by the vehicle.
- The Council is able to dictate the timescales at which sites are brought forward.
- There are no complex overage provisions.
- The company could also develop PRS, which could provide an additional revenue stream to the Council.

Cons

- At present, Mercury Land Holdings is not operating at the scale to deliver estate regeneration and development across these 12 sites. This is typical of most currently established local authority housing companies. The Council will need to take a view how MLH could establish the capacity and expertise to operate at this scale and complexity. A development manager could be appointed, incurring further cost and without mitigating, the other concerns listed. Similarly, there would appear to be limited capacity and expertise to establish a further specialist company to take forward estate regeneration.
- The Council, through the vehicle is exposed to 100% of property market risk and tenant risks throughout the development and investment period.
- The vehicle would be completely on the Council's balance sheet, and the Council would take substantial financial risk, through additional borrowing or the use of internal resources. This level of financial risk is likely to be unacceptable at this time.
- The Council, (through the vehicle) take the delivery risk of projects, and would need to manage contracts and resource the development.
- There would be limited external investment to support development – activity would generally be funded through additional Council borrowing.
- The vehicle remains entirely in public sector ownership, with greater exposure to future changes in policy.
- At present there is potential for housing development by wholly owned companies to be outside the Housing Act 1985 and avoid 'right to buy' issues. However, the government has indicated (most recently in the recent Housing White Paper) that it wishes vehicles to offer the right to buy to tenants of social accommodation produced through such vehicles. It is possible that legislation in the future will seek to enforce this, possibly even retrospectively.

iv. Option 4 – Overarching Joint Venture Vehicle (JV)

Under this option, the JVLLP is established between the Council and a strategic partner or partners, to create an overarching development and regeneration partnership. This

partnership can take sites forward by way of direct development or different delivery mechanisms beneath the overarching level e.g. development agreements, SPVs etc.

Pros

- The Council retains control over the assets as a partner of the JV i.e. ongoing control over assets and any development.
- The Council participates in profits from the JVLLP (no complex overage provisions).
- There is flexibility to cross fund projects throughout the JVLLP.
- As there is only one JVLLP being established the establishment and procurement costs are reduced compared to the site specific vehicle option below.
- Including a range of sites within the JVLLP, creates a more diverse opportunity, which allows for a spread of risk, which will be attractive to a private sector partner. This can be further enhanced, if additional sites are added, either pre procurement or at a later time.
- The private sector partner is incentivised to bring forward the portfolio and deliver development as they also receive returns from development management services and, potentially construction works/ services.
- The Council can adopt a long term investment approach, including short term wins and long term strategy.
- There is ability to lever in private sector investment, skills and knowledge and allow for a mature partnership to develop, with the Council, investing in one set of inter-personal connections rather than multiple.
- Ability to protect the value in current market as the value of assets is crystallised on drawn down rather than on establishment of the vehicle i.e. avoids disposing of development sites at the bottom of the market.
- It is possible, and indeed may be positively beneficial to add further sites into the JVLLP. Further assets may be required to create a more comprehensive development opportunity, or to equalise equity shares in the JVLLP.
- Flexibility exists to take sites forward individually by way of specifically tailored delivery mechanisms.
- Additional projects, in which the Council has limited land ownership, can be added and the Council can have influence and involvement.
- Flexibility is provided to allow monies to be retained within the vehicle and to be used to cross fund other projects.
- Potential opportunity to choose capital or revenue returns
- The Council has greater flexibility in terms of ownership options.

Cons

- No large capital receipts upfront until land values are crystallised.
- Costs (time and resource) of setting up the JVLLP and contributing to governance (albeit less than the previous option.)
- Lengthy procurement process inhibits quick wins.
- Structure needs to be acceptable to attract a suitable partner appropriate for the Council.
- Likely need for 50% equity share may have implications for the Council in relation to long term ownership, obtaining receipt for social housing, or inputting additional sites.
- Council shares risks as well as rewards up to the extent of its equity.

v. Option 5 – Site Specific Vehicle

Under this option, the Council would establish sites, or phase specific vehicles with private sector partners.

Pros

- The pros of this option are those listed above under Option 4.

Cons

- No large capital receipts upfront until values crystallised.
- Increased establishment costs in terms of time and resource for setting up each vehicle.
- Procurement process required for each vehicle (with cost, delay and market appetite implications).
- Depending on scale and phasing, limits the way by which the sites can be delivered.
- More difficult to cross subsidise less viable schemes.
- Limited flexibility as each vehicle would be established for a specific site only.
- Limited flexibility to include other stakeholders within the vehicles other than at a governance level.
- Potential conflict of interest between the vehicles i.e. competing sites.
- Lengthy procurement processes to establish the vehicle could result in a loss of momentum and slower delivery.
- Council shares risks as well as rewards up to the extent of its equity.
- The Council will have limited capacity to site on multiple SPVs and manage multiple long term relationships.

3.3 Personnel (TUPE) Implications

There are no TUPE implications in the proposed programme and JVLLP.

3.4 Accounting Treatment

Accounting treatment will need to be resolved during the further development of agreements and before the Members Agreement, Development Agreement and Business Plan are executed.

3.5 Recommended Option

Cabinet agreed to proceed on the basis of an overarching joint venture vehicle and to progress towards selection of a PSDP following a competitive dialogue process. This is subject to ensuring the Councils investment is sustainable and there is sufficient headroom within the HRA Business Plan as reported to Cabinet in November 2017.

3.6 Procurement and evaluation process

The procurement process is a major work-stream within the project. The overall Project Board to oversee this project was set up in mid-2016 as the project was reported to Cabinet in June 2016. The procurement timescales were designed to ensure that the process was

rigorous enough to identify the right partner to deliver this project as well as one that would encourage the widest interest and participation from the industry.

The procurement of works/services relating to the 12 site regeneration is subject to the European Public Procurement Law, as implemented in England by the Public Contracts Regulations 2015 (as amended) and the Concession Contracts Regulations 2016. This necessitates a procurement process following the publication of a notice in the European Journal (OJEU). These rules will continue to apply for the foreseeable future and therefore need to be adhered to throughout the process.

To complete a successful procurement process there needed to be a strong understanding of the key issues involved in establishing regeneration vehicles such as a JVLLP both legally and commercially. This included awareness of the changing needs of the market, changing market conditions and the Government policy context.

To take the 12 Sites project forward through a collaboration between public and private sectors, a JVLLP, provides the impetus required to enhance economic regeneration with the formation of a strong delivery vehicle providing the chance to shape and focus the future development and regeneration of significant areas of the borough. It is also a means of harnessing alternative sources of funding and facilitates the formation and implementation of an innovative approach to proactively deliver growth and regeneration.

In order to properly steer the procurement to achieve this, a significant amount of external support and challenge was also needed. Firstly to review the assumptions made by officers in their initial assessment of the viability of the project and secondly to guide the procurement process itself.

One of the first activities completed after the October 2016 Cabinet was the procurement and appointment of a specialist multi-disciplinary consultancy team (MDT) to lead on site due diligence and procurement of a joint venture development partner. This team comprised:

- Savills – Professional Team lead and advisors
- Tibbalds and PCKO – Architectural, Planning and Design advisors
- Gardner & Theobald – Cost Consultants.
- Bevan Brittan – Legal Advisers.

This team was procured to:

- Develop a detailed understanding of the Council's priorities and constraints for this programme and to recommend the best approach to meet those requirements.
- Deliver a 'Competitive Dialogue' process in accordance with EU procurement law principles, using an approach similar to and in accordance with the competitive dialogue process specified in the Public Contracts Regulations 2015 (as amended), Regulation 30, which provides the opportunity for a structured approach to procurement, while reserving the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016, in order to which will procure a private sector

development partner (PSDP), who will deliver the site regeneration programme in partnership with the Council.

- Ensure the development opportunity was attractive to potential partners, commercially viable and enable the Council to secure the right commercial deal, mitigating risk and financial exposure,
- Ensure Council priorities are achieved through increasing and maximising the supply of new mixed tenure housing. This is to include replacing the existing amount of affordable housing currently on site, homes lost under the Right to Buy and delivering an additional amount of affordable housing in line with planning policy guidance, subject to viability,
- Help to achieve additional value through wider regeneration that supports growth and sustainability, including improvements to the public realm, new schools, health and community facilities, providing opportunities for new businesses, alongside employment, skills and training,
- Ensure that the Council optimises the value of its assets which may include the generation of capital receipts and income streams while securing best consideration where this is required,
- Provide expert and timely advice on property, development, commercial and procurement matters and to support the project leadership throughout the project life cycle. Also to help facilitate the programme, shape viable development proposals and negotiate terms of a robust development partnership agreement with the PSDP.

The commission fell into two phases:

- Phase 1: (Due Diligence):- included the review of existing proposals to establish suitable and commercially viable development proposals that were attractive to the market and form a base case for achieving the Council objectives and priorities.
- Phase 2: (Competitive Dialogue Procurement):- included managing the Competitive Dialogue Procurement to secure a suitable long term development partner, including developing the Council's requirements, supporting the preparation and presentation of the development opportunity to the market. This was to be delivered by providing specialist property, commercial and procurement support as a key member of the Council's project and procurement team.

The project and procurement team also drew on senior officers from across Havering and OneSource. The panel comprised Senior Housing Officers, OneSource Finance Officer, OneSource Procurement, Savills, and Bevan Brittan. This panel representation ensured that the procurement process drew on external professional expertise regarding development and regeneration, legal, commercial, procurement and housing expertise as well as local knowledge and technical HRA and General Fund expertise.

All of the financial aspects of the project were built into a financial dashboard used to identify the key financial inputs and outputs, including inputs from the HRA Business Plan. This financial modelling was reviewed and quality assured by KPMG as an external assessor.

This organisation was procured by OneSource Finance and has been retained for further financial advice including tax advice.

The procurement process is set out in summary below and key documents attached at Appendix 8.15:

- Issue of a Prior Information Notice for soft market testing advising of the Council's intention to launch a procurement process, and that an OJEU Concession Notice will be published in due course. It included an official launch of the opportunity at MIPIM in March 2017 followed by discussions with a representative sample of interested parties to provide outline information on the tender opportunity.
- Issue of an OJEU Concession Notice setting out the Council's intention to procure a partner to establish the joint venture and concurrently making available a prospectus which included the Memorandum of Information (MOI) and Selection Questionnaire (SQ) to potential bidders who registered an interest in the OJEU notice. Public Procurement Law only allows, during this first procurement phase, for information to be sought from bidders in relation to their previous experience i.e. it is not possible during the SQ stage to ask bidders for responses in relation to how they would deliver the project, i.e. operate the vehicle. Following receipt of the Selection Questionnaire responses these responses are evaluated to ascertain a long list of parties to progress to the next procurement phase, dialogue.
- Commencement of the dialogue phase. This phase was broken down into 2 stages, the ITPD stage (Invitation to Participate in Dialogue) and the ITCD stage (Invitation to Continue Dialogue). This dialogue process provided bidding parties with the opportunity to shape the final form of the proposed JVLLP. Bidders were asked to work up proposals for the structure of the JVLLP, business plan and governing legal documents, the initial financial offer based on indicative numbers and design briefs. Regular dialogue or clarification meetings were held with bidder parties during this stage in order to assist bidders with their submission as well as allowing the procurement panel to understand the potential submissions and organisations who were bidding. At the end of the ITPD stage bidding parties were requested to submit responses to the ITPD from which a short list of parties were evaluated and selected to progress to the next or ITCD stage. The ITCD stage enabled the shortlist of bidders and the procurement panel to enter into detailed discussions regarding the nature of the project and the relationship. Items of clarification that were relevant to all parties were published on the procurement portal so that all bidders were working with the same information. This detailed level of dialogue and understanding then finished on a pre-determined date prior to the final stage of ISFT.
- The ISFT, or Invitation to Submit Final Tender, is the submission of final tender stage. Bidders were asked to submit comprehensive Final Tender responses on the basis of the solution or solutions presented and specified during the dialogue in respect of the sites and the proposed JVLLP structure. Under the competitive dialogue process, tenders shall contain all the elements required and necessary for the performance of the project. These tenders may be clarified, specified and optimised at the request of the Council, as long as these clarifications do not involve changes to the essential aspects of the tender or of the public procurement where this is likely to distort competition or have a discriminatory

effect. After evaluation of final tenders and selection of a preferred bidder, a confirming commitments stage may take place with the preferred bidder to confirm financial commitments or other terms, provided that this does not materially modify essential aspects of the tender and does not risk distorting competition.

- Once these stages have taken place, contract award decision notices will be issued, (as set out in Regulation 47 of the CCR 2016). A standstill period will then follow (as set out in Regulation 48 of the CCR 2016) prior to the Contract Award Notice being published and contract commencement. This formal commitment will only occur once the council funding has been confirmed via the 2018/19 Budget Setting process.

The time-scales for the above process is summarised in the table below.

No.	Stage	Start	End	Participants
1	Concession notice published	12/05/17	12/05/17	52
2	Selection Questionnaire (SQ) period	12/05/17	13/06/17	10
3	SQ evaluation period	13/06/17	28/06/17	
4	ITPD period and submission of ITPD responses	30/06/17	11/08/17	6
5	ITPD responses evaluation period	14/08/17	11/09/17	
6	ITCD period	13/09/17	24/11/17	3
6	ISFT period and submission of ITPD responses	24/11/17	07/12/17	3
7	Final tender evaluation period	07/12/17	18/12/17	
8	Cabinet report for selection of preferred bidder	17/01/18	17/01/18	1
9	Final agreement of legal documents	23/01/18	22/02/18	1
10	Full Council approval of funding	21/02/18	21/02/18	1
11	Formal signing of contract	22/02/18	22/02/18	1
12	Issue of contract award notification and start 10 day stand-still period	23/02/18	09/03/18	10
13	Expiry of standstill period	09/03/18	09/03/18	1

3.7 Evaluation

The ISFT document identified the requirements for the submissions from the final three bidders, much of which were covered during the dialogue process. It also illustrates the weighting and scoring criteria that the procurement panel used.

Each procurement panel member was provided with a full set of the ISFT documents submitted by the final three bidders. Each of the panel members individually scored the submissions and those scores were placed into a scoring matrix for each panel. An adjudication and moderation process was then carried out, overseen by the OneSource Procurement Officer, to produce the consensus scoring and reasons against which the weightings were then applied. This gave the final scores.

The Preferred Bidder status winner, as identified in this report, is the bidder with the highest overall points score.

The requirements of the ISFT submission and the scoring matrix were design to ensure that the bidder which provided the most economically advantageous tender whilst delivering the Council's requirements and objectives would become the Preferred Partner.

3.8 Resources for implementation

An indicative budget for the period to contract award is set out at Appendix 8.16.

During the implementation and procurement process, it was important for the Council to have a dedicated project team, the costs of which are not included in the above budget. In so far as was possible that team remained consistent during the procurement process and will need to be consistent through mobilisation, establishment and delivery processes. As well as having as overarching project lead within the council for the project, the following sub-work streams will require resources from the Council. Financial and legal work streams will require specialist support. The workload of the work streams will differ during the various stages of the process.

- Property and statutory considerations – including the collation of information and due diligence.
- Financial and accounting considerations.
- Preparing reports for Council approvals and scrutiny.
- Implementation and establishment of the Joint Venture.
- Mobilisation and delivery phases.

The governance requirements for the JVLLP will need to be in place and conform to the Havering Governance requirements that are currently being developed for presentation to Cabinet early in 2018.

3.9 Summary

A robust procurement exercise has confirmed the PSDP as the Council's preferred development partner. This preferred bidder status is subject to conditions, negotiation of satisfactory contract terms and further due diligence as part of the confirming commitments process.

It is proposed that the Council and the PSDP will form a JVLLP owned 50% by each Member. The JVLLP will have a 15 year term which can be extended by mutual agreement, and will be governed by a board.

The JVLLP will be bound by a set of legal agreements signed by both parties, including a Members' Agreement, Development Agreement, Development Management Agreement, a Land Acquisition Strategy and a CPO Indemnity Agreement.

Once established, the JVLLP will propose for agreement by the board and its members (the Council and the PSDP) an annual Business Plan (ABP) setting out the objectives to be achieved, the requirements for finance, delivery, the land acquisition strategy and other policies. The ABP will be presented to and agreed annually by Cabinet and will be reviewed quarterly by Executive Brief.

A Development Management Agreement will be entered into with the PSDP for development management and project management services against a specification of services and agreed payment terms.

4. FINANCIAL CASE

4.1 Introduction and Purpose of the Financial Case

This section sets out the Financial Case for the preferred option – the 50/50 Joint Venture Limited Liability Partnership (JVLLP) between the Council and private sector partner. The Financial Case demonstrates that the preferred option is expected to result in a viable and affordable deal funded through and impacting on the HRA. This section includes information on the financial model, the financial impact on the JVLLP and Council, sensitivity modelling, the overall funding arrangements and affordability of the proposed approach.

4.2 Current HRA Business Plan

In November 2017 Cabinet considered the HRA Business Plan Review and the impact of the provision of new affordable homes via regeneration schemes in Havering.

The HRA remains a ring-fence account that is used to manage the Council's own housing stock. The proposed business plan will enable the Council to manage the existing stock to a reasonable standard, to maintain the decent homes standard and provide significant resources for the development of new affordable homes for local people.

The report provided Cabinet with the latest assessment on the impact of the provision of new homes via the HRA 12 sites regeneration project and the establishment of the HRA JVLLP.

Elements of the business plan that have a direct impact on the income into the HRA BP include:

- Social rent setting policy in the years following four years of 1% reduction.
- Any capping of local housing allowance (LHA) levels.
- Rent policy regarding supported housing rents.
- Service Charge recovery

Elements of the service that impact on the levels of expenditure in the HRA BP include:

- Planned maintenance to existing stock.
- Responsive repairs cost to existing stock.
- Delivery of new build homes
- Staffing costs
- Financing costs of borrowing in the HRA
- Losses arising from Bad debts, voids etc.

4.3 Building New Homes and Regeneration

As the main income to the HRA Business Plan comes from rents, it is imperative that the numbers of rental properties is maximised. The current HRA business plan expects to lose 80, possibly 100, properties per year through the Right to Buy (RTB). This reduces rental income by a minimum of £0.390m per year, assuming a full year loss of income per property. Since the start of the RTB regime, Havering has lost some 4,000 properties out of the HRA. This equates to an annual loss of rent of £19.5m per year. Moreover, this is a significant loss of properties available for local people who need affordable housing or become homeless.

As increased demand for properties continues and the number of families presenting as homeless rise, there is a trend for more families to be housed for longer in hostels and there is a risk that the Council will need to resort to the use of expensive B&B emergency accommodation. This is a General Fund (GF) cost. More properties available in the HRA mean more properties available for permanent housing and therefore reduced spend on B&B in the GF.

In addition, changes to the costs of temporary accommodation are adversely impacting on the General Fund. The key impacts are coming from the increased costs of procuring temporary accommodation in the private rented sector and reductions in benefits subsidy to pay for temporary accommodation. One way of mitigating these rising pressures is to build new homes that can be accessed by local people who are facing homelessness.

The HRA BP resources can be used to fund new build and can be augmented by right-to-buy receipts. Failure to use right-to-buy receipts in this way would see the Council having to pay the receipts over to the GLA with additional interest. Some Council housing new build schemes have also attracted grant from the GLA. The Council have been awarded just over £30.296m from the GLA for the affordable housing provision on the first three sites in the HRA 12 sites project. Those sites are Waterloo Estate in Romford, Napier and New Plymouth Houses in Rainham and Solar, Serena, Sunrise sheltered scheme in south Hornchurch.

The HRA BP Review presented to Cabinet in November 2017 identified a total of £200m within the HRA BP over the next 10 years that was available for investment in new units of affordable housing to help replenish losses of units through the right to buy and to help local people access affordable housing. The report identified £55m had been earmarked for new affordable housing on the Bridge Close development and £145m has been identified for the purchase of affordable housing through the 12 sites project.

As more sites come forward in this JVLLP, further applications will be made to the GLA for additional affordable homes funding. If the GLA were to fund those sites at the same rate as the first four sites, the total GLA funding for these sites would rise from the £30.2m already confirmed up to some £49m.

4.4 Viability

4.4.1 Overview and Approach

A baseline viability model has been established by the Havering, working in conjunction with a multi-disciplinary team to provide an indication of the likely project surplus or deficit where surplus is defined as:

- Sales revenues; less
- Housing builders priority return/ margin; less
- Development costs of new units; less
- Infrastructure/ other costs related to each phase of an estate redevelopment (which includes compensation for homes owners, demolition and allowances for infrastructure and abnormals); less
- Site assembly cost/ Vacant Possession; less
- Cost of finance.

The aim of the viability model is to create a flexible tool to allow the project team to consider the viability of the project and make updates to assumptions and inputs as more information is sourced from within the Council and from external consultancy reports/ due diligence.

In order to deliver that flexibility the model can be manipulated to:

- Address build methodology and phasing.
- Appraise cost value relationships by tenure and archetype.
- Variable construction costs dependent upon unit type and construction type(s).
- Build duration and rate of sale.
- Variable revenues by tenure.
- Site wide costs and abnormals.
- Development on costs.
- Aspiration on margin.

The baseline viability model that has been established has provided a set of outputs based appropriate research, industry norms and independent scrutiny and validation.

This report is predicated upon the baseline viability model however the model will evolve to reflect the market's response as we move through the competitive dialogue phase.

4.4.2 Approach and Quality assurance

The approach taken to creating the model is as follows:

- We assessed output requirements of the model, i.e. new housing delivery, programme durations, decant requirements, costs of delivery, potential sales receipts and potential net surplus/ deficit.
- We collated initial inputs commissioning external consultancy studies to ascertain development capacity, site constraints and build methodology.

- These outputs were then translated into a bespoke appraisal system to demonstrate the optimum viability, key financial and physical outputs.
- Input assumptions have been updated to reflect specialist consultancy validation reports.
- The model is subject to quarterly review to reflect fluctuating market conditions, build cost indices and inflation.

4.5 Viability Model Assumptions

This section sets out the assumptions used in the viability modelling and describes the source of the assumption.

4.5.1 Existing Ownership and Residents Offer

The model requires information on the current housing stock in order to calculate the costs of demolition, compensation for owners and tenants and the cost of re-providing housing. These assumptions can be sensitised to help develop the residents offer. The initial assumptions are as follows:

Description	Assumption	Source
Existing ownership Numbers Ownership type	112 No. Leasehold/ Freehold	Council Data
Compensation for Private Owners	MV plus 10% +/- £750 per plot (avg) disturbance payment	Council assumption and independent valuation
Compensation for Council Tenants	£6,100 Home loss £8,000 (avg) disturbance payment	Council assumption
Property value inflation	5% p.a.	Council assumption
Cost inflation (Applied to Council tenant compensation)	2.5% p.a.	Modelling assumption

4.5.2 Layouts and Phasing

Each of the sites within the portfolio demonstrates unique characteristics and development capacity. The smaller sites lend themselves to comprehensive redevelopment in a single phase. With regard to the larger sites, these will be undertaken in multiple phases for the following reasons:

- Rate of build will be driven by rate of sale
- Minimise disturbance and disruption to existing residents and other stakeholders
- Scope of infrastructure upgrades required
- Efficient decant programme.

The phasing methodology adopted is reflected in the 'baseline financial model' programme assumptions and sales profile. Upon selection of the preferred bidder, the JVLLP will produce indicative design proposals for each site which will include phasing methodology.

PCKO and Tibbalds have prepared feasibility studies for each of the 12 sites to determine development capacity. These have been translated into the baseline financial model. In addition, they inform the memorandum of information issued to potential bidders to provide guidance on matters such as height, density, massing etc.

The proposed tenure mix facilitates the 'right to return' for all existing tenants on the sites and provides 794 affordable rent dwellings. In addition, we have included 300 LCHO dwellings to be sold at 40% of open market value (OMV) at point of sale. This product will enable existing leaseholders to return to the regenerated sites at an affordable price point.

4.5.3 Costs

Cost revenue forecast and programme assumptions for the regeneration programme are as follows:

Description	Assumption	Source
Build Costs	Net £222 ft ² Gross £265 ft ²	Council Savills Gardner and Theobald (cost consultants)
Programme Duration	10 years	Council Consultants Market
Revenue Forecast	Range: £360 ft ² - £479 ft ²	Savills
Gross Margin	Pre-interest 16.4% Post-interest 12.7%	Modelling assumption
SDLT	None: Build under Licence	Modelling assumption
Residual Land Value	£13.120m translated into loan note (Council equity stake)	Modelling assumption
Peak Debt (After overheads and interest)	£167.5m	Modelling assumption
CIL	£20m ² (open market units only)	Modelling assumption
S106 Contributions	£6,000 per plot	Modelling assumption

4.5.4 Housebuilders Margin

The blended margin equates to 16.4% of GDV comprising 18% of GDV for open market dwellings and 12% of costs for affordable dwellings.

This is in line with Savills recommendation for a programme of this magnitude and value and delivers a net margin, post interest of 12.4%.

As stage one of the competitive dialogue process we received six bids, primarily from national house builders, all but one of the bidders reflected an aspiration on margin in line with our forecast.

4.5.5 Acquisitions of Affordable Rent Units

LBH will retain the freehold interest and long term management of all affordable rent units re-provided across the 12 sites. These will be acquired from the JVLLP at point of build completion. The HRA offer price equates to £225 ft², an average purchase price of £172,000 per plot.

Following a successful bid to the GLA under the 2016-2021 Programme, a grant allocation of £30.2million has been secured. In respect of phase one of the regeneration programmed this will be drawn down, 50% upon start on site, and 50% upon build completion. In addition to the above, we have now submitted a bid to the GLA for site assembly grant, an overarching agreement is in place, and we hope to proceed to contract, following the GLA's due diligence on the toolkit appraisal. Potentially, this would attract further grant/ loan up to £2.7million.

4.5.6 Low Cost Shared Ownership Units

The baseline financial model assumes an income stream equivalent to 40% of open market value payable at point of sale. The Council will seek a legal charge over the retained equity (60%). Based upon current market value, the retained equity is valued at £40m; the capitalised rental stream would generate a passing rent of £1.2m per annum.

4.5.7 Viability Model Caveats

The assumptions contain some known limitations at this stage, these are summarised below:

- Transport infrastructure/ infrastructure upgrades – the requirement to invest in and around the sites to support increased population needs. Currently bidders have provided provisional sums within the financial proformas. These will need to be captured in a risk register and quantified following the appointment of a preferred bidder and implementation of detailed site investigations and capacity studies commissioned.
- Phasing – the potential phasing methodology applied to the development will be determined following selection of a preferred partner. The three shortlisted bidders have submitted preliminary phasing proposals which are subject to ongoing evaluation.
- Unit mix – as the potential density and layout is adjusted and refined the final unit mix may change from that within the current financial model.
- Stamp duty land tax – the financial model is currently predicated on a 'build under licence' arrangement which does not give rise to an SDLT liability. This assumption is subject to further specialist tax advice.
- Planning/ Development Control – The indicative layouts and capacity studies are subject to fluctuation following consultation with development control.

4.5.8 Income

In line with expected practice in Havering, the financial outputs from the viability modelling have been inserted into a financial dashboard.

All income assessments are at 2017 prices – with no House Price Inflation - but an allowance is made for increases in the sale price of properties as regeneration takes place and the first properties are occupied. This is a standard approach and Crossrail and the new C2C station at Beam Park are also expected to increase sales values across the 12 sites. The most important income element at the sites is the value of residential properties. Sales values are always expressed as an average £ per sq. ft.

Three sales values have been modelled to show the overall financial impacts. The current values expected from similar developments (the “Red Book”). The values expected taking a prudent view of where the sales values will be when new homes start to be sold in around 2 years (the Budget or Base level). Sales values that could be achieved taking a more optimistic view of house price growth due to regeneration (the Target Level).

- The financial model breaks-even at £460 per sq. ft.
- Based on advice by Glenny and Knight Frank, if the development was to be open now the average £ per sq. ft. would be £479. This is known as the ‘Red Book’ valuation.
- The Council proposed (and the tendering exercise confirms) that the Business Plan should be based on an expected case of £500 per sq. ft. This cautiously allows for a 4.4% regeneration uplift from the Red Book or today’s level. This is the Budget level.
- A more optimistic external assessment predicts that the average value throughout the life of the project (at 2017 prices) would be £532 per sq. ft. which is 11.1% higher than ‘Red Book’. This is the ‘Target’ scenario
- £532 is consistent with market evidence from our own professional advice through our Specialist Team (MDT) and the market exercise. To support its own financial offer, each bidder has appointed third party advisers on the future market trends.

The JVLLP will be expected to provide quarterly assessments and projections against the Budget and Target levels.

4.6 Financial outputs

4.6.1 Model Outputs

The outputs from the viability modelling are presented in the Financial Summary at Appendix 8.1. Scheme viability varies from site to site over the entire portfolio resulting in a nominal surplus. In order to manage viability, it is proposed the sites are grouped into a number of distinct works packages to ensure, where possible, each works package delivers a nominal surplus. Any works package that culminates in a nominal deficit, the shortfall will be financed via the HRA.

The revenue forecast adopted in the baseline model is considered prudent and has been informed and supported by independent market research, as evidenced in Appendix 8.17.

4.6.2 Council Investment

The Council has elected to retain the freehold interest and long term management of all affordable housing units to be re-provided across the 12 sites. These units will be purchased from the JVLLP for a pre-agreed price, as they achieve build completion. Acquisition costs will be funded through a combination of GLA grant, HRA resource and cross subsidy generated through open market sales receipts.

The HRA Business Plan has been reviewed and presented to Cabinet in November 2017. That review and report identifies that the 12 sites regeneration programme is sustainable via the HRA.

4.6.3 The Offer to Tenants, Leaseholders and Other Residents

Attached at Appendix 8.18 is the Havering Council housing regeneration pack comprising of:

- The Local Lettings Plan.
- The Re-housing options for non-secure tenants in temporary accommodation.
- The Regeneration decant policy and possession procedure.
- The offer to leaseholders.

Through these documents, the Council aims to:

- Ensure no resident is financially worse off as a result of estate regeneration.
- Maximise the ability of residents to obtain replacement homes in new developments where they wish to do so.
- Enable residents to move to comparable homes in the borough where they would prefer to move elsewhere.
- Make the disruption to existing residents as small as possible. Estate regeneration is disruptive to the lives of residents affected and can be distressing and upsetting. The Council is committed to provide support to residents during this time.

The adopted policies aim to provide a consistent, fair and equitable approach to the rehousing and financial payment commitments made to household who need to move as a result of estate regeneration schemes. They aim to minimise disruption to residents by the provision of clear, timely information and providing additional support to vulnerable residents. They provide an outline process by which the Council will obtain vacant possession of properties required for regeneration works to take place.

When estate regeneration is being considered, residents can expect:

- Full consultation.
- Provision of timely information to keep them informed.
- Support when needed from the Council.
- Support and advice from an independent resident advisor to enable tenants and residents including freeholders to be actively engaged and involved in the process.
- A fair financial offer for buy backs, out of pocket expenses and compensation.

Where estate regeneration is agreed, the Council will provide housing options in accordance with estate regeneration best practice. Residents can expect a range of compensation and financial assistance as prescribed by legislation. A summary of the offer is set out below:

Non Resident Leaseholder

- Market Valuation
- 7.5% Supplement
- Legal Fees

Leaseholder / Private Owner

- Market Valuation
- 10% supplement
- Legal Fees

Council Tenant

- Home Loss (Qualifying) £6,100 per household
- Qualifying disturbance payments

4.7 Summary

The JVLLP is fundable through the HRA and an affordable deal can be secured. The Council has settled on a Base Case model which is predicated on a set of prudent assumptions which have been challenged and subjected to due diligence both by the Councils Specialist Multidisciplinary Team (MDT) lead by Savills and by the Council to confirm that these assumptions are reasonable having regard to the current market and the nature of the development proposals being made. In addition, the procurement exercise has confirmed the approach and assumptions made by the council are a sound and deliverable proposal.

The Base Case shows a total estimated income in the region of £800m from the proposed development programme, a total estimated development cost of £750m and a potential £50m million surplus being achieved by the JVLLP. This would be split 50/50 between the Council and PSDP.

The JVLLP will be funded through a combination of GLA loan, equity from the Council HRA mainly in the form of land value, equal equity from the PSDP and third party debt raised by the JVLLP.

5. MANAGEMENT CASE

5.1 Introduction and Purpose of the Management Case

This section sets out the Management Case for the JVLLP and demonstrates that it is capable of being delivered successfully, in accordance with recognised best practice.

5.2 Deliverability

The redevelopment of the 12 sites are a considered, deliverable and realistic project. Key elements to support this assessment are detailed below.

5.3 Land assembly

The level of ownership and control of land by the JVLLP partners, together with the land assembly strategy within the JVLLP's Business Plan and the intention to adopt Compulsory Purchase Order action makes it very likely that vacant possession of the sites can be secured.

The Council has started the process of land assembly, including key actions as follows:

- From Tuesday 17 January 2017, all HRA rented properties, which become empty and are capable of being relet, are being examined to see if they meet the housing needs of people being moved from the regeneration sites. If they match, an offer will be made. If the offer is accepted, the move takes place as quickly as possible with the Council providing assistance to residents who are moving.
- Almost every Council tenant has accepted the offer for a one-to-one meeting about their housing needs and has been sent two copies of the Decant Assessment Form, which summarises the one-to-one meeting. The information on the Decant Assessment Form is being used to identify a match for a property to be offered for rehousing.
- Demolition Notices have been delivered to around 900 properties.
- The Council has contracted TPAS (Tenant Participation Advisory Service) to provide free, independent help and advice to individual tenants. TPAS will provide independent advice to any resident who needs help.
- Consultation on a Local Lettings Plan that communicates to Council tenants their rehousing options and allocation principles and procedures.
- Leaseholders can sell now - some leaseholders are already in discussion with the Council about selling their property to the Council. Leaseholders and freeholders wishing to sell their property on the Maygreen Crescent and Park Lane, Napier House and New Plymouth House, Oldchurch Gardens or Waterloo Estate regeneration sites are being particularly encouraged to speak to the Council.
- Section 1.25.2 of this Business Case provides more information on activity towards achieving vacant possession.

5.4 Planning

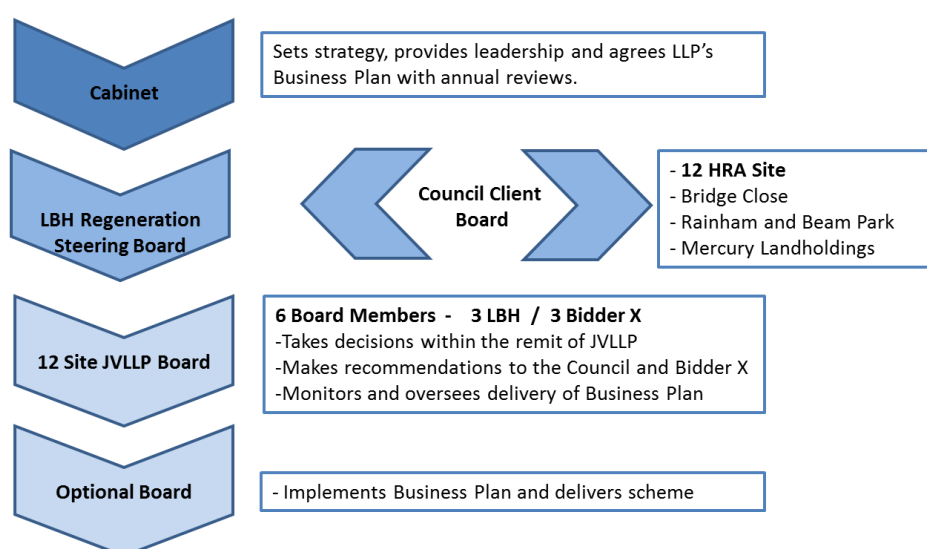
A sound policy framework already exists as described in the Strategic Case of this business case. The approach to secure planning permission will be based on compliance with local and London plan requirements, early and continued involvement of the Local Planning

Authority including a Planning Performance Agreement, a programme of public, Member and stakeholder engagement, and a commitment to high quality design and management standards.

5.5 Programme & Project Management Structure

In addition to the governance of the JVLLP, the Council must have its own arrangements in place to ensure its involvement facilitates the delivery of the JVLLP objectives whilst protecting the Council's interests. The Chief Executive will present proposals for a new client function to support the Council's regeneration programme to Cabinet early in 2018. The diagram below is indicative of arrangements for the 12 Sites Programme.

The Partnership: Governance Arrangements



The Council's HRA Development Team will lead, for the Council, on the delivery of the JVLLP and be accountable for its success. This will include all aspects of project and financial management. The HRA Development Team will require sufficient resources to manage this major regeneration programme including support from other Council departments, other public organisations and local businesses. The project will report to the Council's Regeneration Programme Executive and Board.

The Council's Senior Leadership Team (SLT) and Corporate Leadership Team (CLT) support the vision for the 12 sites and will act both as advocates for the project and assist in key relationship management when required with Cabinet, Councillors, the GLA, the PSDP and other funders and stakeholders.

5.6 Programme

Following the procurement process, the key milestones that will drive the project going forward are set out in the table below.

5.6.1 Key anticipated milestones (first 4 sites)

Milestone	Anticipated date
Cabinet approval to establish a joint Venture Limited Liability Partnership.	January 2018
Council approval of Capital funding	February 2018
Approval of legal agreements including JVLLP Business Plan	March 2018
Cabinet approval of Compulsory Purchase Order resolution	June 2018
Viability review of remaining sites and agreement of phasing	Summer 2018
Submission of 1 st planning application	Summer 2018
Determination of 1 st planning application	January 2019
Vacant possession of sites	September 2019
Potential Start on Site	September 2019
First completions	May 2021
Scheme complete	January 2027

The competitive dialogue process has required the bidders to carry out extensive delivery proposals that have been presented to the procurement panel through the year. The competitive dialogue process has required selected shortlisted bidders to negotiate the terms of the agreement during the second dialogue stage. However, at the point at which the leading bidder is awarded “preferred bidder” they will have an opportunity to confirm commitments to finalise the proposed contractual arrangements prior to a final award decision.

The detailed project programme, including public engagement and consultation, will be reported regularly through the Council, Housing Services and the JVLLP’s governance arrangements.

5.7 Project Team

The Project Team is listed in the table below. The Council’s Project Sponsor will be the Director of Neighbourhoods for the London Borough of Havering. The Project Director will be the Programme Director of Regeneration. The Project Team will report to the Project Board, with the Project Director being Chair. The Project Board will in turn report to the Council’s Regeneration Steering Board.

The Project Board and the Regeneration Steering Board will approve this business case and all associated Cabinet Papers prior to Cabinet approval.

The Project governance and oversight, including Project Management (PM) arrangements, will comply with the requirements of the Council's wider team addressing all of its development joint ventures.

Name	Role	Title
Stephen Moore	Project Sponsor and Chair of Regeneration Board	Executive Director of Neighbourhoods
Neil Stubbings	Project Director and Chair of Project Board	Interim Programme Director of Regeneration
Paul Gayton	Programme Manager	Programmes and Projects Manager HRA, Development
Mike Gappy	Project Manager	New Business Officer HRA Development
Martin Fahy	Finance Manager	Finance Manager, OneSource
Siobhan Fry	Legal Manager	Principal Lawyer, Planning, OneSource
Lauren Sinclair	Project Officer	Project Officer, HRA Development

OneSource Legal, acting for the Council, has managed the legal contributions made by the Council's external advisors, Bevan Brittan. Bevan Brittan will continue to provide legal advice on this project in relation to the procurement and legal agreements for the setting up of the JVLLP. OneSource will continue to provide direct legal advice relating to the Local Lettings Plan and work with leaseholders leading to vacant possession.

OneSource Procurement has advised throughout the procurement process.

5.8 Use of Specialist Advisers

In addition to Council resourcing, due to its niche area of expertise, external support has been required to provide capacity in commercial and legal matters, development management, developer negotiation and the Project Team. Our specialist advisers include:

- Savills – Professional Team lead and advisors
- Tibbalds and PCKO – Architectural, Planning and Design advisors
- Gardner & Theobald – Cost Consultants.
- Bevan Brittan – Legal Advisers.
- KPMG – specialist financial advice.

5.9 Legal documents

The legal work on the structures and legal agreements will require further work to ensure the detail of the final submission documents are enshrined within final version documents and that they are satisfactory for the Council and Preferred Bidder to formally sign to enter into the JVLLP. This should require minimal changes to the documentation already provided.

5.10 Design work

This work was carried out during the tender stage and was essentially indicative to inform the final bid and has been carried out at the bidders expense. A lot of work was put into this by the bidders and their partners, including initial discussions with Havering Planning Officers. However, all bidders are aware that these designs are indicative and the process of consultation with residents and neighbours of the sites will commence in detail to properly inform any final designs that inform the planning process and final application once Preferred Bidder status is confirmed and during the operation of the JVLLP.

5.11 Financial appraisal

The outcome of the procurement process has effectively set financial parameters that must now be adhered to by the preferred bidder as they enter into the design consultation stage in respect of the four initial sites. Items such as build costs, margins, overheads, future sales revenues, funding arrangements etc. have been bid and accepted. However, this will now need to be reviewed in the light of the detailed work to be carried out on the design of the new developments mentioned in the above paragraph, during the operation of the joint venture. Items such as final numbers of units to be built, precise requirements for the infrastructure and potential additional acquisition of neighbouring land to enhance the development opportunities will now all need to be reworked and input into the financial models.

5.12 Consultation Report

The consultation for the 12 Site Regeneration programme was set up to follow the Regeneration Consultation and Communication Strategy, attached at Appendix 8.10. The extensive consultation process has been reported to Cabinet at regular intervals. The regular updates show that full information and updates have been provided to residents and that they have been given the opportunity to provide feedback and comments. That feedback has then shaped the final proposals on the 12 sites. The following is a further update on the activity carried out:

- To date, 82 site specific meetings have been held, including resident meetings and neighbour meetings for those affected by the housing regeneration programme.
- A total of 61 site-specific newsletters have been issued to date which detail the information provided at meetings. They also respond to site specific issues raised by residents in and between consultation meetings and provide a FAQ section (example provided in Appendix 8.19).
- 72 site specific meetings have been held in the sheltered schemes being retained.
- There have been in excess of 2100 attendees at the site specific meetings.
- In addition to the site specific webpages, the Building New Homes for Havering is now active, giving residents and members access to updates and advice regarding the regeneration programme, and sub-programmes including the decant activity and compulsory purchase orders.
- Two additional staff briefings have been held since October 2016, updating staff on the progress of the programme and giving them an opportunity to gain an understanding of the journey we are taking residents, our customers, on.

- The regeneration programme has been a continual feature in the quarterly magazines “At the Heart” and “Sheltered Times”. In spring 2017, we released a “Special Regeneration Edition” of “At the Heart”, which updated all Housing Services’ tenants and leaseholders on the Regeneration Programme.
- Social media postings have been used throughout the programme to update stakeholders on consultation meetings and project milestones.
- A stand was set up at the 2017 Havering Show where officers were available to discuss the regeneration programme with local people.
- In October 2017, we launched the Local Lettings Plan and Regeneration Decant Policy and Possessions Procedure Consultation enabling tenants to voice their views on both documents via an online survey.
- To date, consultations have been led and carried out by Council staff. Once the JVLLP has been established a joint approach to consultation, resident engagement and social cohesion that will allow us to create the sustainable communities on the new sites. The council will remain the lead for this activity.
- Intensive support and reassurance continues to be provided on a one to one basis for any resident and their families worried about the renewal programme and potential decant process.
- A decant satisfaction survey records the outcome of the decanting process from the tenants point of view.
- Specific information provided for leaseholders.

Every tenant on the 12 sites has been offered and, the majority accepted, the opportunity to have a one to one meeting, at which their family is encouraged to be present. This meeting is designed to provide a comfortable environment to enable residents and family to ask any questions they may have about the programme and what it means for them personally. Also it gives the opportunity for the tenant to provide the council with information needed to identify where they would want to move to as part of the decant process. This information is used to populate a “Decant Assessment Form” which is then signed by the tenant as a true record of their decant requirements. This process has proved to be a good way for the tenants and their families to engage in the entire process and for the council to fully understand how we can best support tenants through what is accepted to be a very stressful process.

At each of the sites that are undergoing regeneration residents have been encouraged to set up a more formal Resident Group. The hope for this group is that it is chaired by a resident with administrative support from our tenant engagement team. The resident group themselves would set the agenda and officers attend to provide updates and any information requested as well as taking back information to inform the programme. The groups were also intended to challenge officers to ensure information is provided in an understandable manner and accessible format.

A full record of meetings held and number of attendees is provided in Appendix 8.11.

The council has also appointed TPAS to provide independent and free advice to the residents. TPAS have provided contact details so that any resident can contact them for independent advice. At the contract meeting held with TPAS towards the end of October 2017, the following update was provided:

Seven calls have been made to TPAS via this service. The main issues raised with TPAS are:

- Quality of void works being done before decanting takes place
- Delays on payments been received
- Problems achieving out of borough moves
- Recharges for void work

TPAS provided comparison information with a similar service they have been providing to another London Borough. The Freephone service has taken more than 600 calls compared to the 7 for Havering in the same period of time which TPAS says reflects the quality of the information and engagement work being carried out in Havering.

At each event with residents, information is also provided for leaseholders who are impacted by this programme.

5.13 Summary

Project management structures, resourcing and risk management procedures will be put in place by the JVLLP to ensure that it can be delivered successfully, in accordance with recognised best practice.

A strong team of in-house experts will deal with the required development, finance, project management and construction, and will also have access to a number of frameworks from which to source consultants and contractors to provide advice including design, planning, community engagement, site assembly, and to deliver construction and facilities management.

In addition, to support the Council in undertaking its responsibilities for management and scrutiny of the JVLLP (as Member in the JVLLP), and in support of the governance processes, a client side will need to be resourced to ensure access to relevant capacity and capability as required.

6. SUMMARY OF ORGANISATIONS

Following a soft market-testing programme over a two month period, 54 expressions of interest were received. Of these, ten progressed to submit preliminary proposals. These comprised a range of national and regional developers and one registered provider leading a consortium approach.

Following an evaluation of the preliminary proposals, six bids were shortlisted to progress to invitation to proceed to dialogue.

We anticipate selection of the Preferred Bidder, subject to Cabinet approval, in January 2018.

7. GLOSSARY

<u>Term</u>	<u>Definition</u>
Affordable Housing	Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices.
Compulsory purchase order (CPO)	A legal function that will allow the Authority to purchase land or property without the consent of the owner i.e. if a proposed development is considered to be for public betterment
Concession Notice	Must be published in OJEU at the same time as tender documents being published online to alert the market of the tender opportunity
Gross development Value (GDV)	The value a property development project may be worth on the open market once all development works have been completed
Housing Revenue Account (HRA)	The income and expenditure relating to the provision of Council-owned homes
Housing Zone	A London Mayor initiative to accelerate housing development in areas across London where there is high potential for growth
Invitation to Participate in Dialogue (ITCD)	The second stage of dialogue with shortlisted bidders where development proposals are refined to form solutions specific to the Authority.
Invitation to Participate in Dialogue (ITPD)	The official start of the dialogue period. The Authority hosted dialogue sessions with suppliers before shortlisting. Suppliers are required to respond to the Authority's specification for economic and financial standing, technical and professional ability.
Invitation to Submit a Final Tender (ISFT)	Once sufficient dialogue has taken place and the Authority is comfortable with the solutions proposed by suppliers dialogue is closed and suppliers are invited to submit their final tenders.
Joint Venture Limited Liability Partnership - JVLLP	50/50 joint equity and ownership with a Private Sector Development Partner (PSDP) of a development vehicle to deliver housing regeneration
Multidisciplinary team (MDT)	A group of housing development professionals specialising in different disciplines
Official Journal of the European Union (OJEU)	To comply with EU legislation, public sector tenders valued over a certain threshold must be published here as a gateway for suppliers to search for new business opportunities.

Open Market Value (OMV)	The price at which an asset would trade in a competitive auction setting.
Pre-qualification / Selection questionnaire (PQQ or SQ)	A questionnaire issued at the beginning of the procurement process that allows the Authority to select a longlist of suppliers to invite to tender. At this stage, suppliers are required to display a certain level of technical ability and financial capacity.
Private Sector Development Partner (PSDP)	A private housing development business that will allow the Council and the JVLLP to benefit from specialist sector knowledge, resources and ingenuity to deliver sustainable housing and communities through regeneration
Residual Land Value (RLV)	The monetary value given to land with development potential. RLV= Value of completed development - development costs (Inc. profit)
Right to Buy (RTB)	Scheme which allows Council tenants to purchase their properties with a discount
S106 and Community Infrastructure Levy (CIL)	S106 contributions are negotiated between a local authority and developer to ensure that developments pay for infrastructure that supports them, e.g. schools, healthcare facilities and affordable housing. CIL is different to S106 in that it is levied on a much wider range of developments and according to a published tariff schedule.
Tenant Participation Advisory Service (TPAS)	TPAS are a national agency that works independently with residents to help them get involved with their landlord.
Viability	The optimum point at which level of affordable housing and planning obligations are maximised when developer returns are set at a reasonable level.

8. APPENDICES

- 8.1** Financial Summary
- 8.2** Competitive Dialogue Programme
- 8.3** Housing Accommodation Plan: Review of Older Persons' Housing Needs
- 8.4** 12 Site Mosaic Demographic Analysis
- 8.5** 12 Site Regeneration General Needs and Sheltered EIAs
- 8.6** Completions Schedule
- 8.7** Red Line Boundaries
- 8.8** Decant Schedule
- 8.9** Housing Services Asset Management Strategy
- 8.10** Housing Regeneration Consultation and Communication Strategy
- 8.11** Consultation Update – December 2017
- 8.12** Risk Analysis
- 8.13** Sensitivity Analysis
- 8.14** Legal consideration in relation to the overarching JVLLP
- 8.15** Competitive Dialogue Procurement Documents:
PIN; MOI; SQ; ITPD; ITCD; ISFT
- 8.16** Indicative Budget
- 8.17** Sales and Marketing Strategy
- 8.18** Regeneration Pack
- 8.19** Waterloo Estate Newsletter

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8.1 Financial Summary and Capital Employed

ESTATE REGENERATION APPRAISAL SUMMARY - 6TH MARCH 2017									
EXISTING					PROPOSED				
PROJECT	TOTAL NO. OF UNITS	NO. OF STOREYS	NO. OF RENTED UNITS	LEASEHOLD UNITS	TOTAL NO OF UNITS	NO. OF STOREYS	NO. OF ADDITIONAL UNITS	NO. OF RENTED UNITS	NO. OF L.C.H.O & MARKET UNITS
WATERLOO	244	12	171	73	1,100	18	856	237	863
MAYGREEN	111	4	88	23	200	4	89	100	100
OLD CHURCH	86	4	64	22	300	5	214	100	200
NAPIER & NEW PLYMOUTH	97	12	86	11	200	5	103	150	50
DELTA - T.M.O	63	12	45	18	350	3	287	45	305
FARNHAM HILLDENE	0	5	0	0	63	2	63	0	63
ROYAL JUBILEE COURT	79	2	79	0	150	3	71	45	105
SOLAR - SERENA - SUNRISE	55	2	55	0	200	3	145	60	140
BRUNSWICK	47	2	47	0	50	3	3	15	35
DELL COURT	29	2	29	0	40	3	11	20	20
DELDERFIELD	14	2	14	0	30	3	16	15	15
QUEEN STREET	31	2	31	0	36	3	5	7	29
TOTALS	856		709	147	2,719		1,863	794	1925

ESTATE REGENERATION APPRAISAL SUMMARY - 6TH MARCH 2017						
FINANCIAL APPRAISAL (£,000)						
PROJECT	GDV FORECAST (ALL STOCK)	GDV (AFFORDABLE STOCK)	BUILD COSTS INC. FEES & INTEREST	GROSS MARGIN (PRE INTEREST)	GROSS MARGIN (POST INTEREST)	RESIDUAL LAND VALUE/DEFICIT
WATERLOO	259,350	37,719	241,209	43,800	30,230	-7,134
MAYGREEN	42,481	14,463	42,585	6,565	5,109	-4,313
OLD CHURCH	78,982	16,748	65,879	12,897	9,400	5,052
NAPIER & NEW PLYMOUTH	40,168	22,510	43,195	5,579	4,247	-6,373
DELTA - T.M.O	95,492	7,099	71,998	16,639	12,473	11,808
FARNHAM HILLDENE	13,454	13,454	14,394	1,345	983	-1,638.0
ROYAL JUBILEE COURT	45,710	7,563	33,140	7,649	5,540	7,649
SOLAR - SERENA - SUNRISE	50,554	9,553	38,494	8,420	6,348	6,611
BRUNSWICK	12,320	2,401	9,857	2,022	1,586	1,100
DELL COURT	8,242	3,001	7,951	1,290	1,053	-400
DELDERFIELD	6,063	2,055	5,527	960	789	-118
QUEEN STREET	9,584	1,110	7,607	1,639	1,316	822
TOTALS	662,400	137,676	581,836	108,805	79,074	13,066

NB: NO ALLOWANCE FOR EXISTING 'BOOK VALUE' @ £29.018M

*AVERAGE COST PER UNIT = £213,988
INTEREST)

*AVERAGE SALES VALUE PER UNIT = £272,571
OMV

BLENDED MARGIN EQUATES TO 16.5% OF GDV (12% NET OF

VALUE OF EQUITY RETENTION OF L.C.H.O STOCK £40.60m @60%

*AVERAGE VALUE PER RENTAL UNIT = £173,395

12 ESTATES REGENERATION AVERAGE & PEAK CAPITAL EMPLOYED- 6TH JANUARY 2017

PROPERTY	START ON SITE	FINAL	AVERAGE CAPITAL EMPLOYED (£M)	PEAK CAPITAL EMPLOYED (£M)
WATERLOO	QTR 4 2018	QTR 1 2025	£29,263	£56,649
MAYGREEN	QTR 4 2018	QTR 4 2022	£8,845	£16,930
OLD CHURCH	QTR 2 2019	QTR 1 2026	£21,437	£41,948
NAPIER & NEW PLYMOUTH	QTR 2 2021	QTR 3 2025	£3,353	£7,840
DATA - T.M.O	QTR 1 2019	QTR 1 2024	£25,700	£41,758
FARNHAM & HILLDENE	QTR 3 2020	QTR 4 2022	£5,248	£14,004
ROYAL JUBILEE COURT	QTR 1 2022	QTR 4 2025	£11,211	£19,969
SOLAR - SERENA - SUNRISE	QTR 4 2021	QTR 4 2025	£13,097	£21,491
BRUNSWICK	QTR 3 2019	QTR 2 2021	£4,622	£9,596
DELL COURT	QTR 4 2021	QTR 4 2023	£2,729	£6,748
DELDERFIELD	QTR 1 2019	QTR 1 2021	£2,202	£4,960
QUEEN STREET	QTR 4 2018	QTR 4 2020	£3,454	£7,449

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8.2 Procurement Delivery Programme

NO.	TASK	START DATE	END DATE	DURATION (WORKING DAYS)	LEAD	INPUT FROM
	Publish Concession Notice	12/05/2017	12/05/2017	MILESTONE		
1.0	SQ PERIOD					
1.1	SQ submission deadline	13/06/2017	13/06/2017	MILESTONE		
1.2	SQ evaluation period	13/06/2017	28/06/2017	12 DAYS	Savills / Bevan Brittan	ALL
1.3	ITPD shortlist sign off (4-6 bidders)	29/06/2017	29/06/2017	MILESTONE	LBH	
1.4	Design Brief preparation	15/05/2017	23/06/2017	30 DAYS	Tibbalds / PCKO	Savills/ LBH
1.5	Financial proforma and criteria preparation	15/05/2017	23/06/2017	30 DAYS	Savills	G&T / LBH
1.6	ITPD (final version) preparation	15/05/2017	23/06/2017	30 DAYS	Bevan Brittan	Savills / LBH
1.7	Issue final drafts of all ITPD documentation	23/06/2017	23/06/2017	MILESTONE	Bevan Brittan	
1.8	Sign off all documentation required to issue ITPD	29/06/2017	29/06/2017	MILESTONE	LBH	
2.0	ITPD PERIOD					
2.1	Stage 1 ITPD issued to bidders invited to participate in dialogue	30/06/2017	30/06/2017	MILESTONE	LBH	
2.2	Stage 1 Dialogue Period with bidders	10/07/2017	02/08/2017	18 DAYS	Savills / Bevan Brittan	ALL
2.3	Stage 1 ITPD clarification deadline	20/07/2017	20/07/2017	MILESTONE		
2.4	Stage 1 ITPD response submission deadline	11/08/2017	11/08/2017	MILESTONE		
2.5	Stage 1 ITPD evaluation period including clarifications.	14/08/2017	11/09/2017	20 DAYS	Savills / Bevan Brittan	ALL
2.6	ITCD shortlist sign off (2-3 bidders)	11/09/2017	11/09/2017	MILESTONE	LBH	

3.0	ITCD PERIOD					
3.1	Stage 2 ITCD draft preparation and issue for comment	03/07/2017	24/07/2017	15 DAYS	Bevan Brittan	
3.2	Stage 2 ITCD draft - comments to be returned	24/07/2017	14/08/2017	15 DAYS	ALL	
3.3	Stage 2 ITCD draft to be finalised	14/08/2017	04/09/2017	15 DAYS	Bevan Brittan	
3.4	Stage 2 ITCD issued to shortlisted bidders	13/09/2017	13/09/2017	MILESTONE	LBH	
3.5	Stage 2 Dialogue period with bidders	13/09/2017	24/11/2017	53 DAYS	Savills / Bevan Brittan	ALL
3.6	End of Competitive Dialogue	30/10/2017	30/10/2017	MILESTONE		
4.0	ISFT PERIOD					
4.1	ISFT draft preparation and issue for comment	18/09/2017	09/10/2017	15 DAYS	Bevan Brittan	
4.2	ISFT draft - comments to be returned	09/10/2017	16/10/2017	5 DAYS	ALL	
4.3	ISFT draft to be finalised	16/10/2017	30/10/2017	10 DAYS	Bevan Brittan	ALL
4.4	ISFT issued to bidders	24/11/2017	24/11/2017	MILESTONE	LBH	
4.5	ISFT response deadline	07/12/2017	07/12/2017	MILESTONE		
4.6	Tender evaluation period including clarifications	07/12/2017	18/12/2017	10 DAYS	Savills / Bevan Brittan	ALL
4.7	Tender report preparation	01/12/2017	22/12/2017	5 DAYS	LBH	ALL
5.0	COUNCIL APPROVALS					
5.1	Prepare for Council approvals process to appoint (Checkpoint / ED & Cabinet approvals)	06/11/2017	05/01/18	41 DAYS	LBH	
5.2	Approve selection of preferred bidder (Cabinet decision – Cabinet plus call-in period)	17/01/2018	22/01/2018	5 DAYS	LBH	
5.3	Contract documents finalised	17/01/2018	31/03/2018	51 DAYS	Bevan Brittan	
5.4	Standstill period	18/01/2018	26/02/2018	28 DAYS		
5.5	Award	29/01/2018	29/01/2018	MILESTONE	LBH	

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Appendix 8.3 Housing Accommodation Plan: Review of Older Persons' Housing Needs.



CABINET

12 OCTOBER 2016

Subject Heading:

Housing Accommodation Plan: Review of Older Persons' Housing Needs.

Report URL

www.havering.gov.uk/OlderPersonsHousingReview2016

Cabinet Member:

Councillor Damian White, Lead Member for Housing.

SLT Lead:

Neil Stubbings

Interim Director of Housing Services.

Report Author and contact details:

Neil Stubbings – Interim Director of Housing.

neil.stubbings@havering.gov.uk

Policy context:

To address the over supply of Council owned sheltered housing accommodation and the need for more alternative types of older persons' accommodation in the future.

Financial summary:

HRA capital spend will be required to transform housing provision, so that it better meets current demands.

Is this a Key Decision?

Yes

When should this matter be reviewed? N/A

Reviewing OSC:

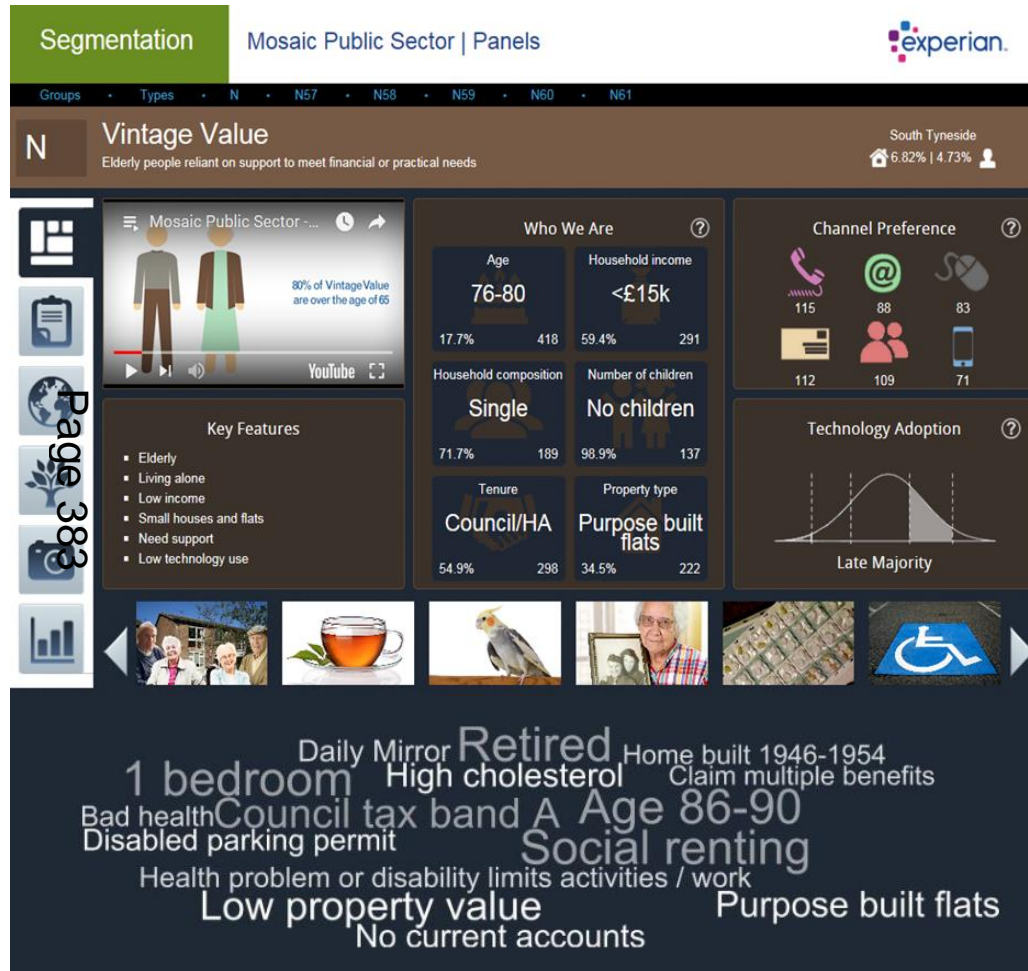
The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

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8.4 Estate Demographic Profile

Brunswick Court - RM14 1ND / **Delderfield House** – RM1 1DH / **Dell Court** - RM12 6JH / **Maygreen Crescent (Park Lane)** – RM12 5NR / **Royal Jubilee Court** – RM2 5AW / **Solar, Serena, Sunrise** – RM12 4YT



Vintage Value - Overview

Vintage Value are elderly people (with an average age of 74,) who mostly live alone, either in social or private housing, often built with the elderly in mind. Women outnumber men because of their longer life expectancy.

Before retirement, Vintage Value often worked in skilled manual occupations or routine jobs. The majority are now dependent on state pensions. Only a few have additional income from an occupational pension. As a result, incomes are generally very low. Money is spent carefully to keep within budgets. Vintage Value generally have a higher than average level of dependency on the state for financial assistance.

Typically, people in Vintage Value live in small houses and flats, with up to two bedrooms. While the majority are long-term social renters, a third are owner-occupiers who have purchased their flats or exercised the Right to Buy. Those that have moved more recently have done so into specialised accommodation or small housing developments as their independence has decreased.

Vintage Value suffer the most from poor levels of health. Levels of independence vary, but with health needs growing and incomes declining, many require an increasing amount of support.

Take up of technology including mobile and internet services is very low. There is a preference for traditional methods of communications such as post and landline calls. While they tend not to recycle they are willing to do things that save their money, such as re-using items and cutting down on their energy use.

Delta Estate (Elvet Avenue) – RM2 6JR / **Maygreen Crescent** – RM11 1EL / **Napier & New Plymouth House** – RM13 8LB / **Oldchurch Gardens** - RM7 0DL / **Waterloo Gardens** – RM7 9BD



Municipal Challenge – Overview

People in Municipal Challenge are typically of working age. There are some families with children, but most are singles.

Municipal Challenge are long-term social renters living in low-value multi-storey flats in urban locations, or small terraces on outlying sites. These are challenged neighbourhoods with limited employment options and correspondingly low household incomes. Those in work tend to be in manual or low level service jobs.

People are the most likely to be finding it difficult to cope on their incomes and they are the most likely group to access Job Seeker's Allowance, Income Support and benefits related to disability and incapacity. Short-term finance options are used occasionally and car ownership is very low.

Mobile phones are important and are the preferred means of contact. Purchases are made in local shops rather than buying online.

Some have health issues, and levels of poor health are only higher among the very elderly. Municipal Challenge are the most likely to be heavy smokers. While they drink less than average, they also have amongst the lowest levels of exercise and fewer than average follow a healthy diet. The environment and trying to be green is not really a concern for this group.



Family Basics - Overview

Their homes are low cost and are often found in areas with fewer employment options.

Typically aged in their 30s and 40s, Family Basics consists of families with school age children, who have limited budgets and can struggle to make ends meet. While many households are headed by a couple providing two incomes, a small proportion are lone parent households. In addition to younger children, some families also continue to support their adult offspring.

Homes are usually three bedroom terraced or semi-detached houses, typically of low value and may be located on sites or low cost housing in the suburbs of large cities and towns. A proportion of the working families have pushed themselves to buy their low cost homes, but more than half rent their home from social landlords.

Limited qualifications amongst this group mean that people can struggle to compete in the jobs market, and rates of unemployment are above average. Employment is often in low wage routine and semi-routine jobs. As a result, many families have the support of Tax Credits and/or Income Support, but significant levels of financial stress still exist.

Mobile phones are important; they send a large number of texts every day and are keen social networkers.

This group is one of the least likely to recycle or re-use items or particularly try to save energy or water.

Poor health is more common here than amongst the general population, with people more likely to smoke and less likely to follow a healthy diet, exercise or play sport to keep in shape.

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Appendix 8.5 12 Site Regeneration General Needs and Sheltered Equality Impact Assessments

EQUALITY IMPACT ASSESSMENT

12 HRA Site Regeneration Programme

General Needs

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Title:	12 HRA Site Regeneration Programme				
Service impacted by proposal	Housing Services				
Date Created	14/12/17	Review Date:	14/12/2020	Version:	1
Author:	Colin Frith - Housing Strategy & Policy Team Leader				

Person completing EIA:			
Signed:	Colin Frith – Strategy & Policy Team Leader	Date:	14/12/17
Person supervising EIA:			
Signed:	Neil Stubbings – Programme Director of Regeneration	Date:	22/12/17

SECTION 1: AIMS AND IMPLEMENTATION OF THE 12 SITE REGENERATION PROGRAMME

Background

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity between those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

The Council also has a 'Specific Duty' to publish information about people affected by our policies and practices and decisions. This Equality Impact Assessment provides evidence for meeting the Council's commitment to equality social cohesion and the responsibilities outlined above.

Where relevant within the programme If negotiation of the acquisition of land by private treaty fails the Council will have to consider the use of compulsory acquisition powers. If they are necessary, the Council should be satisfied that there is a compelling case in the public interest and that there is sufficient justification for interfering with human rights of those with an interest in the land affected. In this respect the Human Rights Act 1998 incorporates certain provisions of the European Convention on Human Rights, namely:

- a) Article 1 – the right of everyone to peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.
- b) Article 8 – private and family life, home and correspondence. No public authority can interfere with these rights except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well-being of a country.
- c) Article 14 – the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.

In the case of each of these articles, the Council should be conscious of the need to strike a balance between the rights of the individual and the interests of the public. The Council may decide that, in the light of the significant public benefit which would arise from the proposed development, the use of compulsory purchase powers is necessary and proportionate taking into account the availability of compensation. In particular, the Council may consider that the CPO would not constitute any unlawful interference with individual property rights.

Identifying the aims of the proposal

The overall objective of the 12 Site Regeneration Programme is to broaden and enhance the range, quality and quantity of housing across all tenures for existing and new residents, whilst also supporting the provision of facilities and services necessary to support growing communities.

The Council has established objectives for the regeneration project that are set out below:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use.
- To provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and extra care sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account (HRA) stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should also aim to deliver additional HRA rented units to the level of existing stock on sites previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing all tenure stock levels, thereby achieving over 40% affordable housing across the 12 sites. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Help mitigate the homelessness pressures in the General Fund by providing increased affordable housing numbers.
- Improve the viability within the Asset Management Strategy by reducing the cost of maintaining existing poor viability buildings.
- Land is expected to remain in Council ownership except any freehold properties built for outright sale.

Where tenants and leaseholders wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

Why does the Council need to undertake an Equalities Impact Assessment?

The 12 Site Regeneration Programme is intended to benefit residents of all ages and backgrounds, regardless of any disabilities, impairments or socio-economic status. This Equalities Impact Assessment (EIA) considers the affects that this regeneration programme could have on households living in general needs properties owned or managed by the Council and seeks to identify and mitigate disproportionate disadvantage that may arise for Council tenants that identify with any of the protected groups recognised by equality legislation.

This EIA recognises that residents affected by the Regeneration Programme all have legitimate needs and expectations. As such, general principles apply across all affected groups, and include:

- Keeping residents fully informed about issues that affect them
- Giving them the opportunity to express their views and that these are taken into account
- Providing appropriate support, including advice, assistance and financial compensation.

In recognition of the particular needs of older people living in sheltered housing, a specific Sheltered Accommodation EIA has been developed in order to consider in detail the specific needs of sheltered residents and how the Council's Regeneration proposals are tailored to address them.

The aim of the Programme is to maximise the number of units on existing HRA sites that present regeneration opportunities. The focus of the new build units will be to meet the needs and aspirations of Havering residents in the form of affordable and supported housing, low cost home ownership and homes for open market sale. This will sustain the balance of the HRA business plan over the next 30 years to allow us to continue to provide Housing and associated services to our residents.

Due to the scale and longevity of the regeneration programme, an EIA is required to assess the impact that the programme activities will have on residents in and around the regeneration sites.

In the short term the disruption caused by the programme will have a negative impact on households. To mitigate this, the Council will provide a comprehensive package of rehousing assistance and support to minimise the disturbance experienced by residents including compensation which will be detailed in the Council's Local Lettings Plan. There will be an enhanced package of assistance available for all residents including help with removals, disconnection and reconnection of services etc. Throughout the moving process and wherever possible, the Council will minimise the number of times that people need to move (with the majority of tenants only having to move once). More vulnerable residents will be prioritised for one move only.

The Council recognises that the Regeneration Programme will impact those living in the affected sheltered housing schemes. Therefore,

in addition to the comprehensive meetings with directly affected residents we are holding a series of public meetings with people living near the sites in order to provide information and answer any concerns they may have. More details on how we plan to communicate with stakeholders can be found in the Regeneration Consultation and Communication Strategy.

The temporary adverse effects of the 12 Site Regeneration Programme will be outweighed by the widespread betterment associated with housing regeneration such as new, energy efficient homes in a better designed environment. By definition residents that identify with a protected characteristic are more likely to be housed in social housing, as identified by the Allocation Policy. Thus many of those negatively impacted by the Regeneration process, plus many more, will be positively impacted in the long term.

More widely, future work will be carried out across the Council and other organisations to ensure that any impacts on schools, GP surgeries and public transport are properly assessed and dealt with.

Who are the stakeholders affected by this proposal?

The Regeneration Programme will affect the residents and property owners on all 12 regeneration site areas, namely;

1. Royal Jubilee Court
2. Brunswick Court
3. Dell Court
4. Delderfield House
5. Queen Street
6. Solar, Serena, Sunrise
7. Waterloo Estate
8. Maygreen Crescent and Park Lane
9. Oldchurch Gardens
10. Chippenham, Farnham and Hilldene
11. Napier and New Plymouth House
12. Delta Court TMO

Within these sites, the following resident groups are affected:

- Council general needs tenants
- Council tenants in sheltered accommodation
- Home owners (Residential leaseholders, Non-residential leaseholders and Freeholders)

➤ Private tenants

The programme also affects other stakeholders such as:

- Families and carers of residents
- Existing housing register applicants
- The wider residential community in the Borough
- Havering Council Officers(staff in charge of operations) including Councillors and members of the Council
- Housing Associations and affordable housing providers and other partner agencies
- Businesses or community services next to or surrounding an site regeneration area
- Other public services such as the emergency services, education services, transport services etc.

How does the Regeneration Programme meet the Council's current priorities?

In January 2017, Havering launched its new vision for the Borough – Making a Greater London. The proposals to redevelop the Council's key sites in Havering addresses three of the Council's objectives:

1. **Communities making Havering** - supporting families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents. The regeneration of sites that no longer meet the best standards of design and layout will enhance a sense of community safety and well-being. In addition, the Local Lettings Plan maximises individual choice for affected residents in terms of their re-housing options, including moving vulnerable groups together wherever practicable.
2. **Places making Havering** – delivering high quality homes which will improve the health and well-being of our residents. The Regeneration programme not only means that existing affected residents will have access to better quality accommodation in future but the redevelopment of sites will produce additional homes which will be available to more people, helping to solve the shortage of good quality affordable housing in the Borough.
3. **Opportunities making Havering** – the Council are committed to providing first-class business opportunities by supporting the commercial development of companies within the Borough; to ensure sustainable economic growth that generates local wealth and opportunities, high-quality skills and careers. The procurement of a joint venture partner to deliver the 12 Site Regeneration Programme will require a commitment from any potential investment partner to add social value their offering. This will include an undertaking that they will provide employment, skills and training opportunities for local people. In addition, there is a clear link between having a safe, modern home in the context of well-designed residential sites with greater educational achievement and access to better jobs.

Which equality objective(s) are relevant to this proposal

- Understanding the needs of Havering's diverse community
- Improving life chances for all, particularly for the most vulnerable members of the community
- Removing barriers to accessing the Council
- Promoting community relations and civic pride

Are there any current strategies/policies that are relevant to this Proposal?

- Homelessness Act 2002
- Housing Act 1985
- Housing Act 1996
- Housing Act 2004
- Housing and Regeneration Act 2008
- Human Rights Act 1998
- Land Compensation Act 1973
- Planning and Compulsory Purchase Act 2004
- Town and Country Planning Act 1990
- Draft London Housing Strategy 2017
- Regeneration Local Lettings Plan
- Regeneration Decant Policy and Possessions Procedure

Implementation of the Regeneration Programme

The Regeneration Programme will be led by the Housing Regeneration Board. All project documentation can be found at https://www.havering.gov.uk/homepage/78/building_new_homes_for_havering

SECTION 2

Does this proposal have any relevance to the following protected characteristics		Internal relevant to staff or working practices	External relevant to service delivery or provision
1	Age	No	Positive
2	Disability	No	Positive
3	Sex (gender)	No	Neutral
4	Sexual Orientation	No	Neutral
5	Gender reassignment	No	Neutral
6	Pregnancy and maternity	No	Positive
7	Marriage and Civil Partnership	No	Neutral
8	Religion and Belief	No	Positive
9	Ethnicity	No	Neutral
10	Socio Economic factors	No	Positive
11	Health	No	Positive

SECTION 3

CONSIDERATION OF DATA AND RESEARCH

Quantitative and qualitative data that informed the impact assessment includes:

- ☐ Housing diversity report
- ☐ JSNA (Joint Strategic Needs Assessment)
- ☐ Housing Regeneration Consultation data outcomes
- ☐ Mid-year population estimates 2015; Office of National Statistics (ONS)
- ☐ Census 2011, Office for National Statistics (ONS); Produced by Public Health Intelligence
- ☐ OHMS Housing Services in-house data system
- ☐ Housing Register data

How will you communicate the regeneration proposal to staff and service users?

One of the Council's key commitments is to ensure that there is 'on-going consultation' with residents. There is a clear communication plan to facilitate resident awareness and involvement throughout the lifetime of the programme. The Council is committed to regular, open and honest communication regarding the regeneration proposals throughout the redevelopment period. This is further explained in the Programme's Consultation and Communication Strategy.

The consultation process for each site has so far consisted of collating feedback through a range of communication channels:

1. Regular briefings and consultation meeting sessions held on each regeneration site.
2. Dedicated newsletter sent to residents on each site with regular updates on the regeneration proposals along with FAQs and answers.
3. One to one sessions with residents to discuss housing needs and decant requirements.
4. Dedicated web page set up for General Needs housing developments with each scheme having its own web page accessed at www.haverling.gov.uk/HousingRegeneration
5. Regular editions of At the Heart magazine, available on line and in printed format where required, including special dedicated editions.
6. Briefings held for Housing Services staff, Economic development and Regulatory Services.
7. Positive press coverage in Romford Recorder and Haverling Yellow Advertiser with feedback mechanisms.
8. Updates posted on social media, including Facebook and Twitter.

A dedicated Housing Regeneration Project Team has also been set up within the Council's Housing Service to work with residents on a case by case basis to ensure that accommodation and support needs are addressed. They will be working across the Council in collaboration with other council services and teams to do so.

The Regeneration Board, with senior management representation across the service, will address all cases that require escalation.

Gaps in information:

There is no information available to determine the impact of the programme on businesses that are either owned by or cater for the needs of BME or residents belonging to other protected characteristic groups in Havering.

Action needed:

Full consultation will be carried out with businesses impacted by the regeneration proposals, including the public house on the Waterloo Estate and the shops located below the flats on the Chippenham, Farnham and Hildene Estate. This will include working with the businesses to identify and mitigate any negative impacts BME, disabled, older people or any other groups with protected characteristics.

SECTION 4

ASSESSMENT OF IMPACT

This EIA will consider the effect of the Regeneration Programme on tenants who occupy our general needs properties affected by the Regeneration Programme. In consideration for the concessions and service adjust required to accommodate to the needs of our residents in sheltered accommodation, the Council has created a separate EIA, HRA 12 Site Regeneration Programme –Sheltered Accommodation/Extra Care provision.

Ethnicity

The Housing diversity report indicates that 63% of all tenants currently residing in one of the affected general needs regeneration properties is White British, this compares to the overall demographic of Havering of white British residents as making up 83% of the population of Havering (source JSNA). 4% of affected tenants have not disclosed (or it remains unknown) as to their ethnicity.

33% of all residents disclosed an ethnic origin other than White British, with the highest represented ethnic group among affected tenants being from Black African origin at 9%. The combined percentage of 33% of all affected tenants being of an ethnic origin other than White British is slightly above the figure established from Havering 's 2011 Census Population, which found that the BME percentage of the total population of the borough to be at 17%.

In the short term, there is a potential for the Programme to disproportionately impact BME residents, for example, if they are required to relocate far away from shops and/or community venues that cater specifically to their cultural needs, or if these facilities are earmarked for demolition.

In the long term, however, any disadvantages will be mitigated by regeneration because the programme will create more opportunities for commerce and enterprise throughout in the borough. New communities will support new businesses thus creating more employment opportunities, accessible to local residents.

The Council will ensure that the nature of the proposals are understood by BME households and that they receive adequate support through the re-housing process which will be monitored as the project progresses, to ensure that suitable support is being provided. This will include implementing the Council's translation/interpreting guidelines in the event of households needing further support. Owner occupiers and businesses impacted by the programme will also have access to this support.

Gender

The Housing Services Diversity report indicates that a total of 65% of all affected tenants are female compared to 35% of males. This gender split is higher than the overall proportion of women in Havering's tenanted population and Havering's overarching borough trends. The Regeneration Programme will therefore disproportionately affect women.

The 2016 Families and Households ONS report demonstrates that a lone mother heads 90% of lone parent households. Single parent households may struggle to cope with the requirement to move home more than two parent households. Moving home can be demanding and involves organising removals, connections and disconnections, forwarding mail, and furnishing a new home. While some of these costs are reimbursed by the Council via Disturbance Payments and other financial compensations, households will experience other drawbacks from the decant process such as having to find a new doctor, dentist and school for any children.

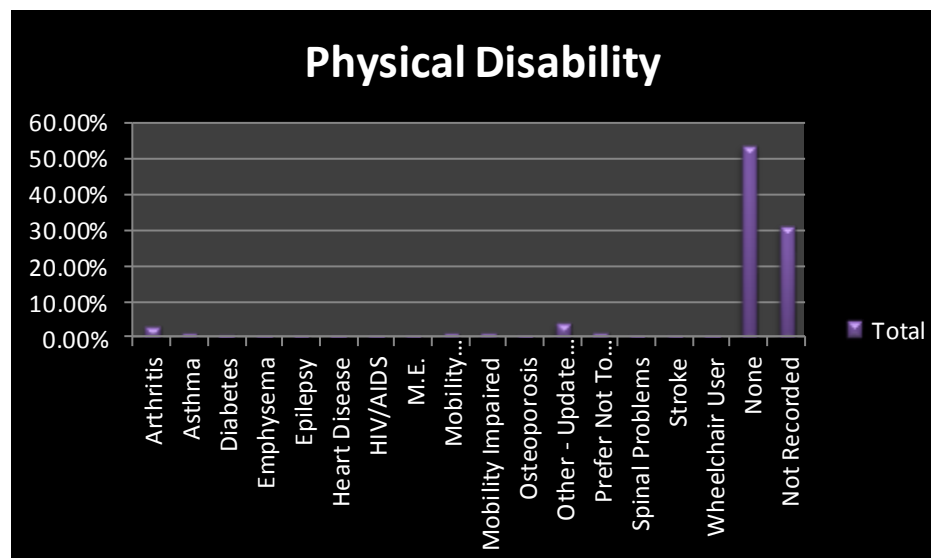
The Regeneration Decant Policy and Possession Procedure which supports the programme will ensure that any vulnerable tenants and residents are supported through the programme by assisting them to find suitable accommodation and locating amenities close to their new home. The support offered to residents during the decant process will mitigate the disruption caused by having to move home.

The right to return also has a positive impact on all residents affected by the Programme as it gives them the choice to return to newly built accommodation that meets their needs. This outcome for residents helps to achieve the Council's vision to make a greater London by providing residents with quality places to live.

Disability

Rehousing can be a disruptive process especially for households with a member that has a disability. 70% of general needs tenants currently living on a regeneration site have identified themselves as disabled. Homes may already have been adapted to their needs, and there may be considerable changes to the layout of the home, kitchen bathroom, entrance, parking arrangements and the environment to suit their needs and requirements. Households may have developed local support links with family, friends and neighbours, which have the potential to be broken by a forced move.

To mitigate these issues, the Council provides dedicated Housing support service on an individual case-by-case basis. Officers will ensure future homes are suitable and meet the identified housing need, providing adaptations where necessary. Officers will work closely with the Occupational Therapy team to ensure decant or regenerated homes are fit for purpose. Direct offers will take into account medical circumstances and allow for extra floor space and lifts, where appropriate.

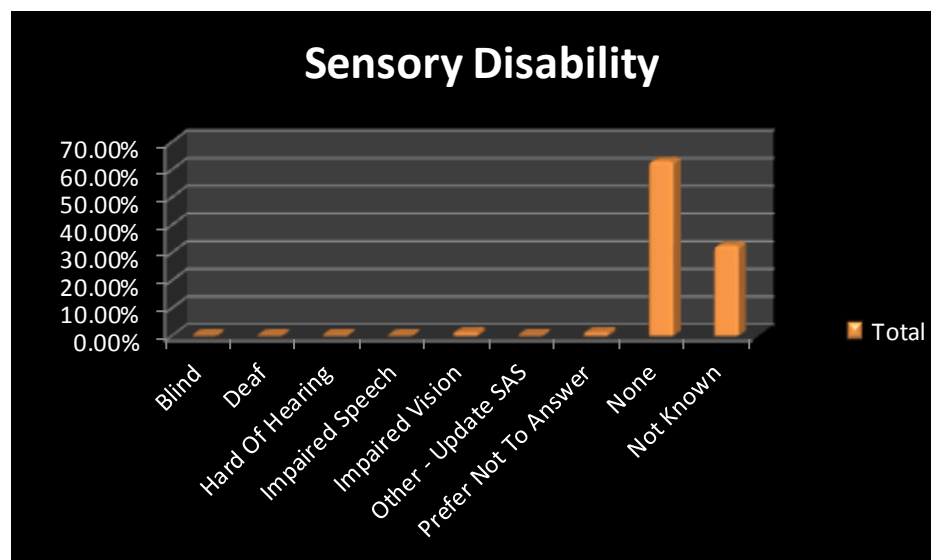


Source: Housing Services Diversity Report (December 2017)

As demonstrated in the diagram above, around 16% of tenants affected by the Regeneration Programme have a mobility difficulty that is more than the borough average. A further 53% have declared that they do not have a physical disability.

To mitigate any adverse impact caused during the decant process of the Regeneration Programme, the Council will support all vulnerable residents, including those with physical or sensory disabilities. This will include “matching” vulnerable tenants to appropriate properties that meet their specific needs and providing assistance to help with the moving process.

By delivering new homes that can be easily adapted and creating community hubs on some of the regeneration sites, in the long term the project will also offer residents a better quality of life and allow them to live independently for longer.



Source: Housing Services Diversity Report (December 2017)

As indicated in the diagram, the number of people who have declared they have a sensory impairment or disability is low (4%). A further 63% of residents have affirmed that do not have any type of sensory disability. Efforts are being made to allow residents who may be impacted by the programme to declare the extent and nature of their disability to support any rehousing needs. This is being addressed through confidential individual meetings with the Housing Regeneration Officer responsible for each site and provisions have been put in place to assist those residents who require additional assistance.

The Regeneration programme overall will have a positive impact on disabled residents living in Havering as all new homes will meet the Lifetime Homes standard, which will make new homes more accessible than the existing homes which are being replaced. This will allow residents to stay in their own homes for longer, reduce the need for home adaptations and give greater choice to disabled people who cannot live independently due to lack of suitable housing in our housing stock.

Age

In terms of general needs properties, the largest percentage age group of residents affected overall by the Regeneration Scheme is the 35 to 44 year old age group, representing 26% of all affected tenants. This is followed by tenants in the 25 to 34 years (25%) and 45 to 54 years age(25%) respectively. Combined with tenants aged 18-24 years of age (representing 4% of affected residents), the total number of working age tenants is 89%, indicating that working age residents will be affected most by the Regeneration Programme.

When rehousing these tenants during the decant process, it is important that where possible, they are relocated to an area that gives them ample access to public transport to allow them to remain in employment. Many working age households will also contain children, so it is vital where possible to ensure that these tenants are placed near infrastructure which supports their families, schools, hospitals, GP's and community services.

While the Council will attempt to rehouse households in the most appropriate location, we know that there is not sufficient availability within our council stock in order to accommodate every household wishing to remain in proximity of their current accommodation and the support networks and infrastructure they are accustomed to. We recognise that the current private sector rental market is also compressed, with market rents at an all-time high.

To reduce this negative impact, officers will assess the Housing needs of all affected tenants and will match where possible tenants needs against available stock. Where possible, development of individual sites within the Regeneration Programme will be phased to facilitate the development of different parts of the site at different times. This will allow greater flexibility when moving residents.

Tenants aged 55 to 64 years represent 11% of those affected by the regeneration scheme. Assuming that most tenants over the age of 65 years old are no longer working, and by combining all remaining pension age groups together, it can be assumed that 11% of all affected tenants will be in general needs accommodation and of pension age.

While the Regeneration Process can be an uncertain time for all residents involved, the Council recognises that older people can be particularly anxious or concerned about the prospect of moving home. Given some older residents in general needs housing can feel more isolated or lacking support than sheltered housing tenants, the Council will ensure appropriate advice guidance and practical support are available to all older residents living in general needs properties affected by the regeneration programme.

The Programme has been planned with the needs of an ageing population in mind and the new communities will include properties designed to suit the needs of an ageing population and common age-related health conditions. The increase of sheltered and extra care properties will assist the most vulnerable, which shows that the project has a positive impact on all ages. The programme also strongly focuses on tenancy sustainment and work in partnership with many support agencies to enable our residents to remain in their properties for longer.

Religion/Belief

Currently there are no plans to demolish any places of worship on the 12 Site Regeneration Programme .

The Regeneration Programme may affect residents that practice their religion by demolishing their place of worship or moving residents away from there.

The Council are committed to working with residents and groups whose religious practices could be negatively impacted by the Regeneration Programme. As part of the detailed design process of individual homes and properties we would seek to be sensitive to the individual needs of households on religious/belief grounds.

The Local Lettings Plan (LLP) undertakes that the Council will offer the maximum choice possible in terms of re-housing options, and the preference to be or remain near a place of worship or religious community will be fully considered in matching residents to a potential new home.

Pregnancy and maternity

There is little evidence available to effectively assess the impact of the Regeneration programme across this protected characteristic. Pregnancy and maternity information is taken initially at the point of application to join the Housing Register and considered again when a resident makes a bid on a property, once accepted on to the Housing Register.

During the course of the Regeneration Programme, as and when tenants are decanted, our officers will take into consideration any pregnancy and maternity information that will impact on the housing needs of the tenant and their households. If the composition of a household changes or is expected to change, the main tenant is required to inform the Council as soon as reasonably possible. Evidence will be required to support any change to a household's composition.

The Council understand the possible need to provide additional support for pregnant women. Whether additional support is needed will be identified as part of the individual meetings with residents and addressed in line with the undertakings in the Local Lettings Plan; customised support will be provided as required.

The Council is committed to helping those who may find the process of moving particularly challenging where a protected characteristic is involved.

Regeneration is designed to improve the quality of homes in the local environment and the Programme will provide improved family-friendly homes for local residents.

Marriage and Civil Partnership

There is no evidence available to suggest that people who are married or in a civil partnership will be particularly adversely affected by the Regeneration Programme proposals.

Sexual orientation

There is little or no evidence to suggest that there is an adverse impact on protected characteristic groups as a result of the Regeneration Programme. The most recent Diversity report for general needs tenants affected by the Regeneration Programme does not provide an indication of diverse sexual orientation. We recognise that there is a potential deficit in the self-declaration of tenants who identify themselves as from the LGBT community. This may be attributable to tenants often being reluctant to disclose this information.

Any issues brought to our attention will be dealt with sensitively on a case by case basis. Housing Services does encourage tenants to declare any issues in terms of harassment, hate crime or domestic abuse which could impact on where we place tenant on a temporary or permanent decant basis. We recognise that this is an elective process on the part of the tenant and Housing Services will respect the confidence given to our officers when a tenant discloses this information to us.

In the interim, officers supporting tenants should consider specific questions relating to the tenants sexual orientation and how this might link to their housing options.

As part of our continued commitment to increasing awareness of all diversity and cultural needs, we provide ongoing training for staff, taking on good anti-discrimination practice. This serves to ensure that residents are placed in a sensitively appropriate setting which meets their needs.

Gender reassignment

There is insufficient data available to identify whether tenants that identify as a gender different to that they were born, will be disproportionately affected by the Regeneration Programme, however we do not envisage that there will be any disproportionate negative impact on this group.

In instances where tenants have advised us that they are undergoing gender transitioning, the Council will work with them to find suitable accommodation that provides access to relevant support networks. This can be fully considered as part of the confidential discussions with individual residents on their rehousing options. The Council is committed to meeting affected residents' needs and preferences wherever practicable.

Health Impact

The 12 Site Regeneration Programme will enable positive health benefits. The housing developments will facilitate neighbourliness and inclusive communities which encourage residents to be more physically and socially active.

Studies show that friendship, good social relations and strong supportive networks improve physical and mental health at home, at work, and in the community. For example, cohesive neighbourhoods, those that provide social support, trust and sense of community, can have a positive impact on children's and young people's health and wellbeing, including mental health. Good relationships in the home, school, and neighbourhood play a part in ensuring that young people can develop social competence and contribute to cohesive societies.

The development of the Community Hubs will be especially positive for the wellbeing of older residents. For older people, social cohesion and a sense of belonging, gives rise to trust, reciprocity and social bonding. This will lead to stronger relationships between neighbours, greater social participation and a larger support network. This consequently reduces the negative impact of social isolation on the older generation.

Socio Economic Factors

Where applicable these have been highlighted within the assessment for each protected characteristic. In addition, the Council recognises the importance of maintaining social support networks which are often based on locality (neighbours, friends and family). The Local Lettings Plan's (LLP) commitment to residents is that re-housing offers will be based on choice, given the re-housing options available.

The aim will also be to move groups of vulnerable residents together where practicable, in order to maintain social networks and a sense of community. It is of course worth highlighting that residents can opt to return to the property location /area once the site has been regenerated, thus mitigating any long-term social impacts.

A Mosaic demographic profile of the residents on the regeneration sites which provides a socioeconomic analysis and concludes that generally, those living on the regeneration sites have an income below the Havering average, peaking at £30,000. The Council recognises that many of our residents are on full or partial housing benefit or on low incomes. However, rent levels for new properties will be set at the appropriate level, according to Council policy and formula at the time. Service charges will be based on the level of service given at the scheme. The Council is not in a position to cap rents or service charges for the new properties, but will provide advice and support where residents are having difficulty paying their rent. This could include signposting to specialist debt advice agencies where appropriate.

The LLP sets out the offer to Council tenants, including home loss and disturbance payments, as well as other reasonable expenses. Havering recognises the increasing pressures on household budgets and the need to make homes as affordable as possible for new and existing residents. In order to achieve this, those existing residents returning to new homes will continue to pay a social rent, which is set significantly lower than market rent level. New residents will pay a rent equivalent to 80% of market rent.

Given recent tragic events around fire safety in London council blocks, Havering will seek to ensure that all the regenerated sites adhere to the highest standards of fire safety and other health and safety standards, including compliance with current and future regulation. This will apply across all sites and tenure types, so whatever the person's economic status, it will not make them any less secure in their homes than anyone else.

Section 4: Measures to mitigate adverse impact

In this section you should list the specific actions that you have earlier set out as to how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified Matter	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead
All	Incomplete and/or inaccurate data to assess the impact of the proposals on the protected characteristics	<ul style="list-style-type: none"> Equalities Data collection exercise required Council tenants on the affected sites Freeholders and leaseholders Business (especially SMEs) 	Standardised monitoring guidance and related forms	Ongoing	Corporate Diversity Advisor Property & Land Services Manager
All	A comprehensive assessment of positive and negative impact of the Regeneration Programme	<ul style="list-style-type: none"> Completion of General Needs and Sheltered Housing EIAs Completion of individual site EIAs 	Effective assessment of the impacts of the Regeneration programme on the residents of Havering.	Ongoing	Corporate Diversity Advisor Housing Strategy & Policy Team Manager

Equality Impact Assessment

All	Fair and equal service delivery	<ul style="list-style-type: none"> Requirement that all council staff have completed Equalities training Inclusive Policy for the JVLLP Fair to All policy Sign-up to LBH Community Cohesion Strategy and E&D 	Standardised monitoring guidance and related forms	Ongoing	ALL
All	Insufficient consultation	<ul style="list-style-type: none"> Identify specific community groups to encourage engagement with the council Ensure complete log of consultation as and when completed 	Standardised monitoring guidance and related forms	Ongoing	Community Engagement Team Manager
All	Disruption caused by Regeneration and Decant Process	<ul style="list-style-type: none"> Continuous engagement with tenants Disturbance and homeloss payments Disconnection and reconnection services Moving services Housing advice for non- secure and non-council tenants Satisfaction surveys to monitor success of the decant process 	Standardised monitoring guidance and related forms	Ongoing	Rehousing Team Manager
All	Increased Housing supply to create homes that are fit for purpose and inclusive communities	<ul style="list-style-type: none"> To be monitored through the planning process - LBH Infrastructure and Local Plan will specify additional infrastructures required to support the developments Designs to uphold the principles of the London housing design Guide 	Monitoring through planning process	Ongoing	JVLLP Planning
All	Tenants decanted away from support networks	<ul style="list-style-type: none"> Regeneration decant reassessment to assess individual needs and support requirements Liaise with residents and support workers where appropriate to find best solution for residents 	Continued open dialogue with residents. Monitored through Satisfaction Surveys	Ongoing	Rehousing Team Manager
Age	Live-in Leaseholders and freeholders are unable to purchase new housing on the open market	<ul style="list-style-type: none"> Negotiation period commencing December 2016 Independent valuation resource Council purchasing private properties at OMV +10% 	To be discussed with Legal services to evaluate options and develop a standardised approach	Ongoing	12 Site Regeneration Project Board

All	Increased housing costs in new properties – decanted or new build	<ul style="list-style-type: none"> Referral and assistance accessing Housing benefit to LHA rate 	Standardised monitoring	Ongoing	12 Site Regeneration Project Board
All	New Communities on the Sites – social cohesion initiative	<ul style="list-style-type: none"> Social Value and Community Engagement work To create structures that enable residents to participate in the betterment of the new communities 	Cohesive designs and strategies as part of the redevelopment programme	Ongoing	JVLLP; Corporate Diversity Advisor ; Property & Land Services Manager

SECTION 5: Monitoring and Review

The Housing Regeneration Board is responsible for reviewing this EIA, with expert guidance and advice from the Council's Corporate Diversity Advisor. This EIA will be reviewed on an annual basis.

It is recognised that the scale and longevity of the Programme means that the potential impacts on residents will change as the project continues. In addition, it will only be possible to analyse the actual effect on different groups once the regeneration is underway and residents make their choices.

The monthly Board meetings provide an opportunity to highlight and review any trends or emerging changes. If and when feedback or data indicate that a review may be required, it will be a decision made by the Regeneration Programme Board. The Board will also oversee the delivery of existing or future actions on the Action Plan, to ensure that there is effective mitigation of any negative impacts on residents as the Programme is continues to be delivered.

EQUALITY IMPACT ASSESSMENT

12 HRA Site Regeneration Programme Sheltered Accommodation/Extra Care provision

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Title:	12 HRA Site Regeneration Programme – Sheltered Accommodation/Extra Care provision				
Service impacted by proposal	Housing Services				
Date Created	14/12/17	Review Date:	14/12/2020	Version:	1
Author:	Una Bedford – Housing Strategy & Policy Officer				

Person completing EIA:	
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SECTION 1: AIMS AND IMPLEMENTATION OF THE 12 SITE REGENERATION PROGRAMME

Background

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity between those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

The Council also has a 'Specific Duty' to publish information about people affected by our policies and practices and decisions. This Equality Impact Assessment provides evidence for meeting the Council's commitment to equality social cohesion and the responsibilities outlined above.

Where relevant within the programme If negotiation of the acquisition of land by private treaty fails the Council will have to consider the use of compulsory acquisition powers. If they are necessary, the Council should be satisfied that there is a compelling case in the public interest and that there is sufficient justification for interfering with human rights of those with an interest in the land affected. In this respect the Human Rights Act 1998 incorporates certain provisions of the European Convention on Human Rights, namely:

- d) Article 1 – the right of everyone to peaceful enjoyment of possessions. No one can be deprived of possessions except in the public interest and subject to the relevant national and international laws.
- e) Article 8 – private and family life, home and correspondence. No public authority can interfere with these rights except if it is in accordance with the law and is necessary in the interests of national security, public safety or the economic well-being of a country.
- f) Article 14 – the right to enjoy rights and freedoms in the Convention free from discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, or national or social origin.

In the case of each of these articles, the Council should be conscious of the need to strike a balance between the rights of the individual and the interests of the public. The Council may decide that, in the light of the significant public benefit which would arise from the proposed development, the use of compulsory purchase powers is necessary and proportionate taking into account the availability of compensation. In particular, the Council may consider that the CPO would not constitute any unlawful interference with individual property rights.

Identifying the aims of the Programme

The overall objective of the 12 Site Regeneration Programme is to broaden and enhance the range, quality and quantity of housing across all tenures for existing and new residents, whilst also supporting the provision of facilities and services necessary to support growing communities.

The Council has established objectives for the regeneration project that are set out below:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use.
- To provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and extra care sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account (HRA) stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should also aim to deliver additional HRA rented units to the level of existing stock on sites previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing all tenure stock levels, thereby achieving over 40% affordable housing across the 12 sites. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Help mitigate the homelessness pressures in the General Fund by providing increased affordable housing numbers.
- Improve the viability within the Asset Management Strategy by reducing the cost of maintaining existing poor viability buildings.
- Land is expected to remain in Council ownership except any freehold properties built for outright sale.

Where tenants and leaseholders wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

Why does the Council need to undertake an Equalities Impact Assessment?

The 12 Site Regeneration Programme is intended to benefit residents of all ages and backgrounds, regardless of any disabilities, impairments or socio-economic status. This Equalities Impact Assessment (EIA) considers the affects that this regeneration programme could have on households living in sheltered accommodation properties owned or managed by the Council and seeks to identify and mitigate disproportionate disadvantage that may arise for Council tenants that identify with any of the protected groups recognised by equality legislation. The Council, recognises that residents living in sheltered housing have specific needs that do not always correlate to those living in general needs properties.

This EIA recognises that residents affected by the Regeneration Programme all have legitimate needs and expectations. As such, general principles apply across all affected groups, and include:

- Keeping residents fully informed about issues that affect them
- Giving them the opportunity to express their views and that these are taken into account
- Providing appropriate support, including advice, assistance and financial compensation.

Regeneration is an economically viable opportunity to bring current sheltered housing schemes up to modern day requirements and expectations. With many units within the Council's sheltered housing schemes' left vacant and therefore not attracting a rental income, regeneration will mitigate the adverse impact on the Housing Revenue Account (HRA) at a time of increasing financial pressure.

The Council runs approximately 800 units across 19 housing schemes for older persons housing, with the vast majority being the Council's own sheltered housing accommodation. Following the Older Person's Housing Review in 2016, the Council's sheltered housing accommodation was deemed no longer fit for purpose. Specifically, the review conveyed:

- a projected surplus of Affordable sheltered schemes within the borough and deficit in sheltered/retirement housing for lease and sale;
- a deficit of enhanced and extra care housing of all tenures; and
- a recommendation to develop additional extra care and /or Retirement Village Schemes

The Regeneration Programme seeks to address the Older Person's Housing Review and will deliver sheltered and extra care housing which reduces isolation and supports and promotes independence, health and well-being. Investment in the right type of sheltered housing will also provide the Council with a sustainable way to provide support for older people.

The Proposed Regeneration of Older Persons' Housing

<i>Sheltered Scheme</i>	<i>Proposal</i>
Delderfield House	To build 30 new mixed tenure general needs homes.
Maygreen Crescent/Park Lane	This site is part of the 200 new mixed tenure homes proposed for the Maygreen Crescent and Park Lane Estate
Queen Street	This site is part of the 1,100 new mixed tenure homes on the Waterloo Estate.
Dell Court, Ravenscourt Grove	The proposal is to rebuild the Dell Court block, providing up to 40 flats for older persons over the age of 55 years and re-providing some communal facilities for the remaining sheltered accommodation. The flats will be targeted at persons over the age of 55 currently under occupying family sized council housing in a similar way to the various bungalow developments. These new units would not be classed as sheltered.
Ravenscourt, Ravenscourt Grove	To be retained
Brunswick Court	It is proposed that this site will be demolished and redeveloped into a new sheltered housing scheme with 50 new units which will include extra care sheltered housing with dementia provision.
Royal Jubilee Court	To replace the current provision with an Older Persons' village which will include new sheltered housing, extra care sheltered housing and some dementia care sheltered housing accommodation. There will also be some low cost home ownership and sheltered housing for sale on the site. The proposal is to build 150 new mixed tenure homes as an Older Persons' village.
Solar, Serena and Sunrise Courts	To develop new sheltered housing, extra care sheltered housing and some dementia care sheltered accommodation, creating 150 new mixed tenure homes developed as an older persons' village. There will be some low cost home ownership, sheltered housing and some dementia care sheltered housing within the new village.
<i>*All other Council-owned sheltered schemes are outside of the scope of this EIA</i>	
Due to the scale and longevity of the regeneration programme, an EIA is required to assess the impact that the programme activities will have on residents in and around the sheltered schemes.	
In the short term the disruption caused by the programme will have a negative impact on households. To mitigate this, the Council will	

provide a comprehensive package of rehousing assistance and support to minimise the disturbance experienced by residents including compensation which will be detailed in the Council's Local Lettings Plan. There will be an enhanced package of assistance available for all residents including help with removals, disconnection and reconnection of services etc. Throughout the moving process and wherever possible, the Council will minimise the number of times that people need to move (with the majority of tenants only having to move once). More vulnerable residents will be prioritised for one move only.

The Council recognises that the Regeneration Programme will impact those living in the affected sheltered housing schemes. Therefore, in addition to the comprehensive meetings with directly affected residents we are holding a series of public meetings with people living near the sites in order to provide information and answer any concerns they may have. More details on how we plan to communicate with stakeholders can be found in the Regeneration Consultation and Communication Strategy.

The temporary adverse effects of the 12 Site Regeneration Programme will be outweighed by the widespread betterment associated with housing regeneration such as new, energy efficient homes in a better designed environment.

Who are the stakeholders affected by this proposal?

The programme will affect residents at the following sheltered housing schemes:

1. Brunswick Court sheltered housing scheme
2. Delderfield House sheltered housing scheme
3. Queen Street sheltered housing scheme
4. Maygreen Crescent and Park Lane sheltered housing scheme
5. Solar, Serena & Sunrise sheltered housing scheme
6. Dell Court sheltered housing scheme
7. Royal Jubilee Court sheltered housing scheme

Within these sites, the following resident groups are affected:

- Council general needs tenants
- Home owners (Residential leaseholders, Non-residential leaseholders and Freeholders)
- Private tenants

The programme also affects other stakeholders such as:

- Families and carers of residents
- Existing housing register applicants seeking sheltered housing
- The wider residential community in the borough
- Havering Council Officers (staff in charge of operations) including Councillors and members of the Council
- Housing Associations and affordable housing providers and other partner agencies
- Businesses or community services next to or surrounding a site regeneration

How does the regeneration of sheltered housing meet the Council's current priorities?

In January 2017, Havering launched its new vision for the Borough 'Havering– Making a Greater London'. The proposals to redevelop the Council's sheltered accommodation and extra care provision for older people addresses three of the Council's objectives:

1. **Communities making Havering** - supporting families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents. The redevelopment of our sheltered accommodation and extra care scheme allows Housing Services to trial and implement a range of solutions which can tackle social isolation and improve well-being among our more vulnerable residents. Redesigning our older person accommodation provision within the Borough and piloting/rolling out community hubs will reduce social isolation for our older residents of all tenure types
2. **Places making Havering** – delivering high quality homes which will improve the health and well-being of our residents. Aside from the redevelopment of our more unsuitable sheltered schemes, improvements will be made to those sheltered blocks that will remain and we will be investing in our existing general needs council stock.
3. **Opportunities making Havering** – the Council are committed to providing first-class business opportunities by supporting the commercial development of companies within the Borough; to ensure sustainable economic growth that generates local wealth and opportunities, high-quality skills and careers. The procurement of a joint venture partner to deliver the 12 Site Regeneration programme will require a commitment from any potential investment partner to add social value their offering. This will include an undertaking that they will provide employment, skills and training opportunities for local people.

One of the key principles resulting from the 2015 review of older persons' housing in Havering is that all schemes for older residents must be modern, safe and accessible. This will also improve cost efficiency and facilitate greater choice and control for service users. The regeneration of sheltered housing makes a positive contribution to our obligations and duties under the Care Act 2014; to prevent, reduce or delay the need for care and support for all local people.

Which equality objective(s) are relevant to this proposal

- Understanding the needs of Havering's diverse community
- Improving life chances for all, particularly for the most vulnerable members of the community
- Removing barriers to accessing the Council
- Promoting community relations and civic pride

Are there any current strategies/policies that are relevant to this Proposal?

- Homelessness Act 2002
- Housing Act 1985
- Housing Act 1996
- Housing Act 2004
- Housing and Regeneration Act 2008
- Human Rights Act 1998
- Land Compensation Act 1973
- Planning and Compulsory Purchase Act 2004
- Town and Country Planning Act 1990
- Draft London Housing Strategy 2017
- Regeneration Local Lettings Plan
- Regeneration Decant Policy and Possessions Procedure

Implementation of the Regeneration of Older Persons Housing

The Regeneration Programme will seek to address the recommendations and proposals arising from the Older Persons' Housing Review. The programme will be led by the Housing Regeneration Board. All project documentation can be found at https://www.havering.gov.uk/homepage/78/building_hew_homes_for_havering

SECTION 2

Does this proposal have any relevance to the following protected characteristics		Internal relevant to staff or working practices	External relevant to service delivery or provision
1	Age	No	Positive
2	Disability	No	Positive
3	Sex (gender)	No	Neutral
4	Sexual Orientation	No	Neutral
5	Gender reassignment	No	Neutral
6	Pregnancy and maternity	No	Positive
7	Marriage and Civil Partnership	No	Neutral
8	Religion and Belief	No	Positive
9	Ethnicity	No	Neutral
10	Socio Economic factors	No	Positive
11	Health	No	Positive

SECTION 3 CONSIDERATION OF DATA AND RESEARCH

Quantitative and qualitative data available that informed the impact assessment

- Housing diversity report December 2017
- JSNA (Joint Strategic Needs Assessment)
- Housing Regeneration Consultation data outcomes
- Mid-year population estimates 2015; Office of National Statistics (ONS)
- Census 2011, Office for National Statistics (ONS); Produced by Public Health Intelligence
- OHMS Housing Services in-house data system
- Housing Register data

Sources of useful information

Suggested sources include:

- Service user monitoring data that your service collects

- Havering Data Intelligence Hub
- London Datastore
- Office for National Statistics (ONS)

How will you communicate the regeneration proposal to staff and service users?

One of the Council's key commitments is to ensure that there is 'on-going consultation' with residents. There is a clear communication plan to facilitate resident awareness and involvement throughout the lifetime of the programme. The Council is committed to regular, open and honest communication regarding the regeneration proposals throughout the redevelopment period. This is further explained in the Programme's Consultation and Communication Strategy.

The consultation process for each site has so far consisted of collating feedback through a range of communication channels:

1. Regular briefings and consultation meeting sessions held on each regeneration site.
2. Dedicated newsletter sent to residents on each site with regular updates on the regeneration proposals along with FAQs and answers.
3. One to one sessions with residents to discuss housing needs and decant requirements.
4. Dedicated web page set up for General Needs housing developments with each scheme having its own web page accessed at www.havering.gov.uk/HousingRegeneration
5. Regular editions of At the Heart magazine, available on line and in printed format where required, including special dedicated editions.
6. Briefings held for Housing Services staff, Economic development and Regulatory Services.
7. Positive press coverage in Romford Recorder and Havering Yellow Advertiser with feedback mechanisms.
8. Updates posted on social media, including Facebook and Twitter.

A dedicated Housing Regeneration Project Team has also been set up within the Council's Housing Service to work with residents on a case by case basis to ensure that accommodation and support needs are addressed. They will be working across the Council in collaboration with other council services and teams to do so. The Regeneration Board, with senior management representation across the service, will address all cases that require escalation.

Gaps in information

There is no information available to quantify the LGBT service users in sheltered accommodation. The proposal will have a neutral impact on this group.

Action needed

Residents have been continuously consulted with and the Council will continue to do so in order to identify and mitigate any disproportionate adverse impact to groups with protected characteristics that has resulted from the regeneration proposals.

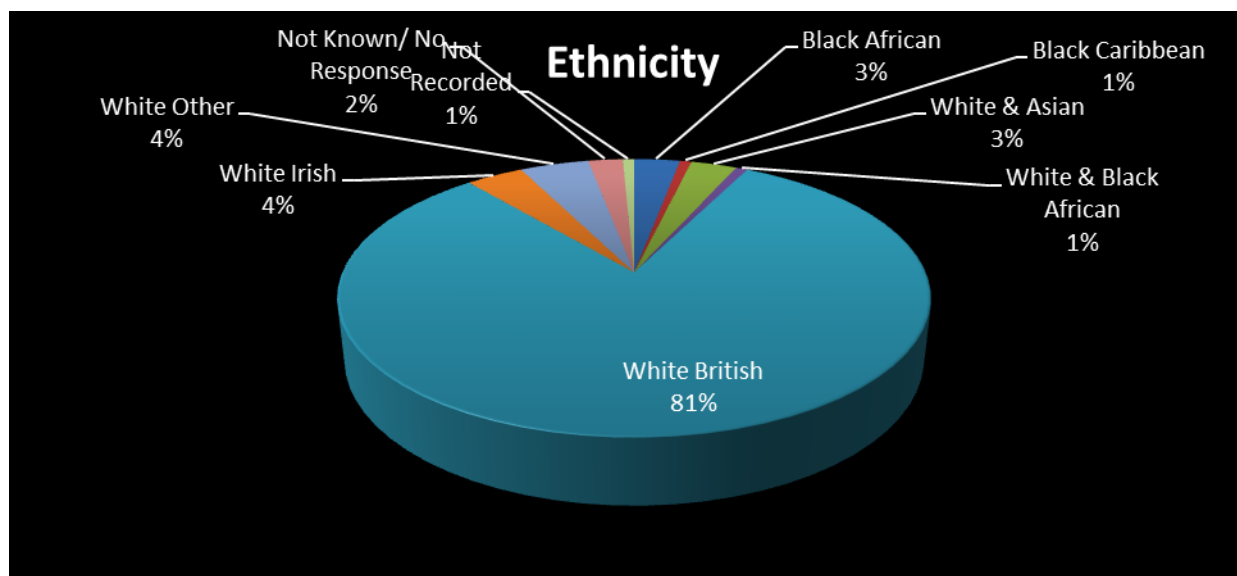
SECTION 3

ASSESSMENT OF IMPACT

The following data and analysis relates to residents living in sheltered/extra care schemes for older people that are affected by the Regeneration proposals

Ethnicity

Diversity data of current residents indicates that the predominant ethnic group among residents within the affected sheltered and extra care schemes identified themselves as white British, making up currently 81% of residents. The next highest represented group among the sheltered and extra care schemes are the White Irish and the White other groups (respectively at 4% each), followed by the Black African and White Asian at 3% each. The other ethnic groups made up 1% or less respectively of the ethnic make-up of the affected sheltered schemes. This is reflective of the diversity currently across the Borough.



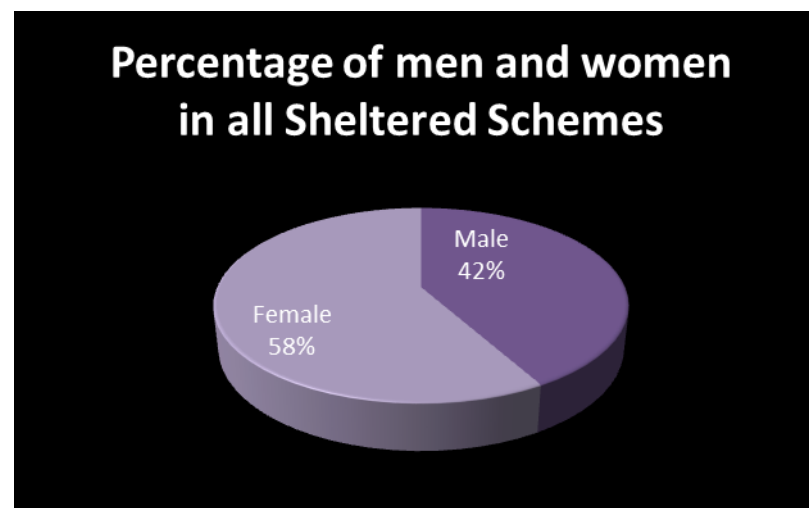
Source: Housing Services Diversity Report (December 2017)

There is no evidence to suggest that the proposals to redevelop the sheltered and extra care schemes will produce discriminatory effects on any protected characteristic within this strand. From the data collated from Housing Services Online Management System

(OHMS), only 2 out of 134 residents (just over 1%), in all affected sheltered and extra care schemes require a language interpreter as a requested service adjustment. This will be monitored throughout the consultation process. All residents will receive care and support during the redevelopment programmes in a culturally appropriate manner. Support plans and daily activities remain person centred and are inclusive of meeting all ethnic diversity needs.

Gender

Females represent a greater proportion of service users in all the affected sheltered schemes (58% female to 42% male residents). The general trend may reflect that women live longer in Havering. As age increases, the ratio of women to men in the older population of Havering increases. The life expectancy at age 65 years in Havering is 18.9 years for males and 21.6 years for females (Life expectancy at birth, 2001-2003 to 2012-2015; Office for National Statistics (ONS); Produced by Public Health Intelligence)



Source: Housing Services Diversity Report (December 2017)

The gender split among residents in Havering's sheltered accommodation and extra care schemes is weighted towards women. Women will therefore be more affected by the programme than men. All residents will be supported individually throughout the programme, to mitigate this.

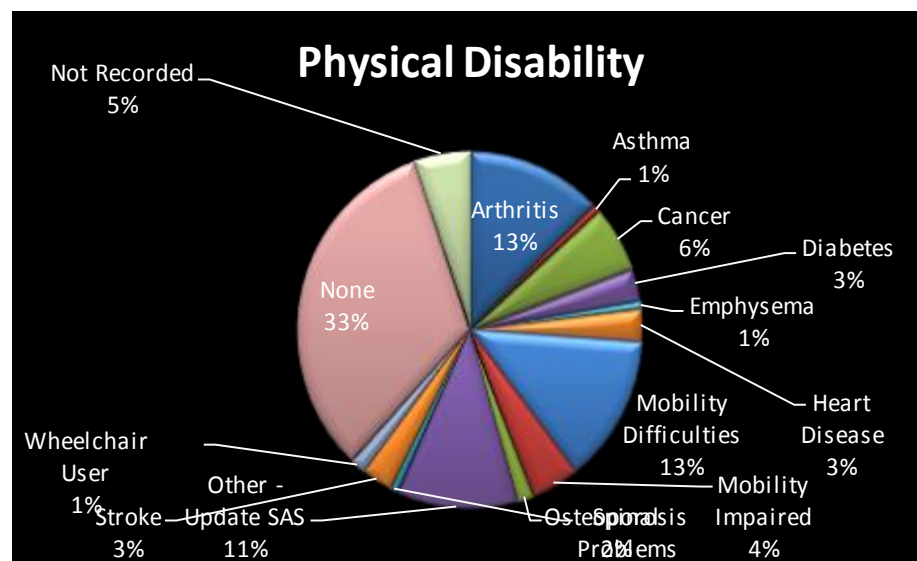
Age Group	Male	Female
55-59	7,779	7,647
60-64	6,248	6,602
65-69	6,423	7,049
70-74	4,460	5,377
75-79	3,654	4,892
80-84	2,791	4,209
85-89	1,608	2,946
90+	687	1763

Source: Mid-year population estimates 2015; Office of National Statistics (ONS)

Disability

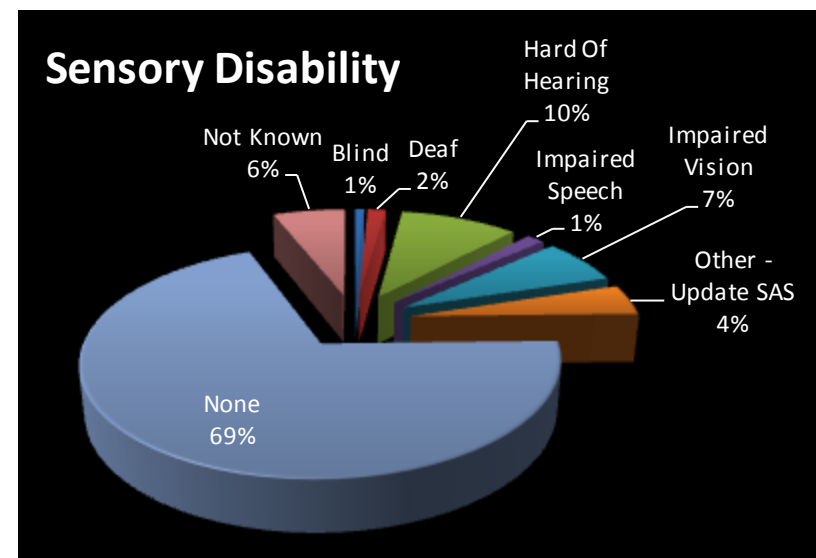
The proposed redevelopment of our older persons' housing will aim to meet the needs of those with a disability and ensure that accommodation is suitable and meets their needs, and that the regenerated schemes deliver modern, safe amenities in line with current design standards for disabled living. 95% of those currently living in sheltered accommodation have identified themselves as being disabled.

Moving existing tenants from their current homes will be disruptive to them, their families and carers. Some residents with close local and family ties and friendship groups in their current homes may find it upsetting to move. A full assessment will be carried out for each resident before they move. These assessments will be based on good practice guidelines on closing sheltered schemes and settling people into new accommodation. Residents will also have access to independent advocacy support which will provide tenants with support and reassurance they need.



Source: Housing Services Diversity Report (December 2017)

62% of all residents in the affected Sheltered Schemes have a condition which will impact on their mobility



Source: Housing Services Diversity Report (December 2017)

25% of the residents in all affected Sheltered Schemes have a declared sensory disability.

The redevelopment of the affected schemes is about making a positive change and redesigning our sheltered housing offering. The redevelopment of these facilities will greatly improve the quality of our service provision. During this transformation process, the Council will ensure that the care needs of existing tenants will be met.

The Council will ensure that reasonable adjustments are made throughout this process. We will identify the needs and requirements of tenants during one to one meetings and support them in sourcing alternative accommodation, (should we need to decant tenants during the development), and assist them where it is necessary for them to choose new accommodation within our sheltered housing offering. We will help prepare tenants for a move or making a move to alternative accommodation. All residents' next of kin will be involved in supporting residents to help them decide the best solution for each resident.

Age

Residents in the Borough are living longer and the average age when people move into sheltered housing has steadily risen. A better range of choices is needed to enable people to live fulfilling lives into older age.

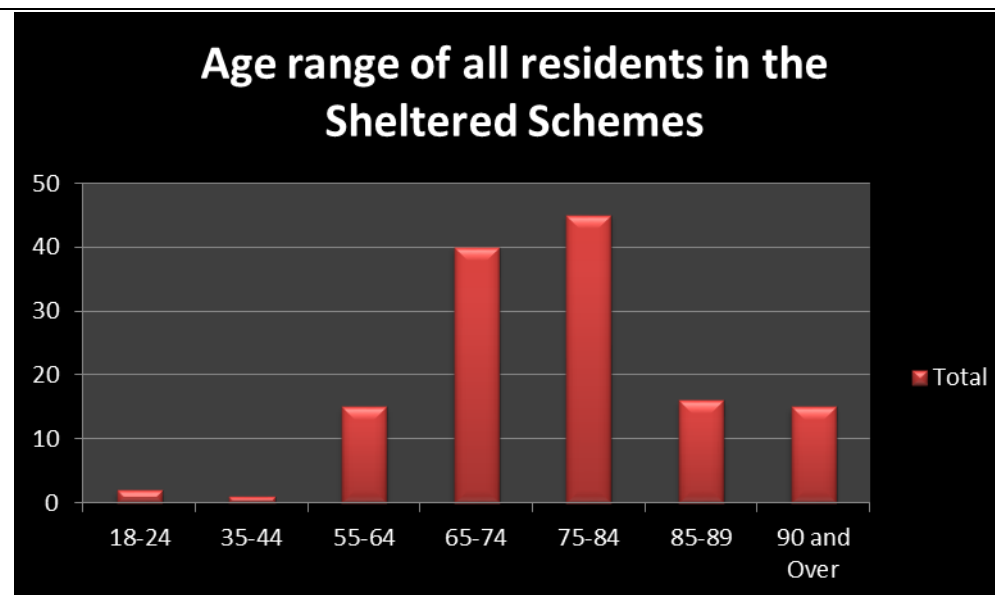
The size of the 65+ population is projected to grow significantly in Havering over the next 15 years, driven mainly by life expectancy. The projected increase is likely to increase demand for social care in the Borough.

Projected percentage population change by age group since 2016, for 2021, 2026 and 2031

Age Group	2021	2026	2031
0-4	6%	8%	4%
5 –10	11%	16%	15%
11-17	13%	26%	29%
18-24	-5%	0	10%
25-64	5%	7%	5%
65-84	5%	16%	26%
85+	14%	26%	46%

2015 Round Strategic Housing Land Availability Assessment (SHLAA)-Based Projections; Greater London Authority (GLA); Produced by Public Health Intelligence

Many residents are keen to engage in a wide range of activities and wish to engage actively with their local community. The largest age groups represented within all the affected sheltered housing schemes are those residents aged 65 – 74 and 75 -84 groups



Source: Housing Services Diversity Report (December 2017)

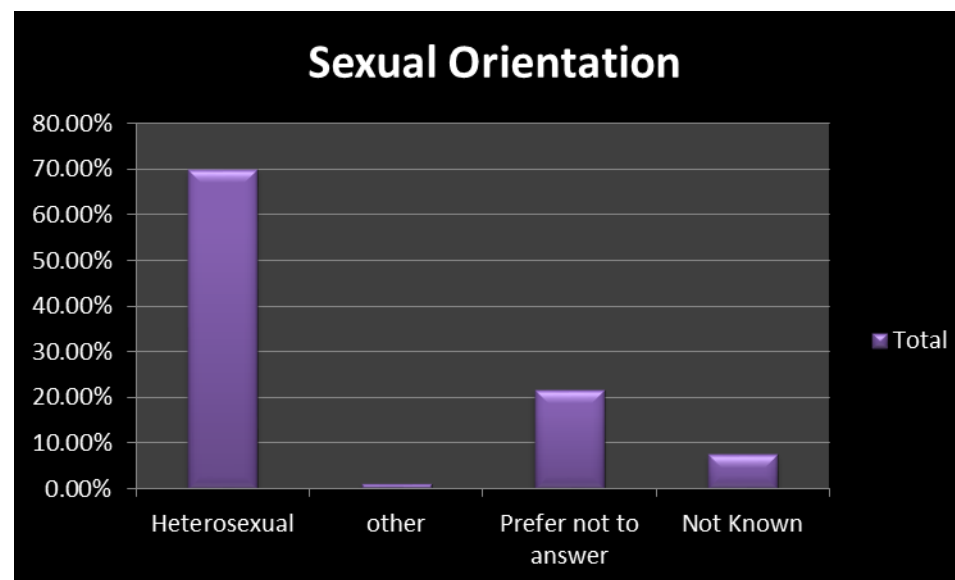
At present, there continues to be many older people remaining in general needs housing and living longer in that housing, meaning that the general needs housing stock is not being recycled for other families as quickly as it was in the past. The life expectancy for people living in Havering is 80.2 years (for males) and 83.9 years (for females) from birth. Life expectancy in Havering has been mostly higher than the average in England and has continued to increase over the last decade. This adds further pressure on the existing housing stock and compounds the shortage in the supply of general needs family housing available for younger households.

The redevelopment will provide older people with more choice and opportunities to maximise their independence within a supported housing scheme with care provided on site. This will enable people to retain independence while providing the appropriate level and type of support, enabling people to continue living their life in their own way having choice and control.

Given the correlation between ageing and a range of health conditions, it is worth emphasising that the regeneration project will provide improved & expanded housing options for older people by developing a range of models to include low-dependency accommodation and extra care housing.

Sexual Orientation

There is little or no evidence to suggest that there is an adverse impact on protected characteristic groups as a result of the Regeneration Programme. The most recent Diversity report for sheltered accommodation tenants affected by the Regeneration Programme does not provide an indication of diverse sexual orientation. We recognise that there is a potential deficit in the self-declaration of tenants who identify themselves as from the LGBT community. This may be attributable to tenants often being reluctant to disclose this information.



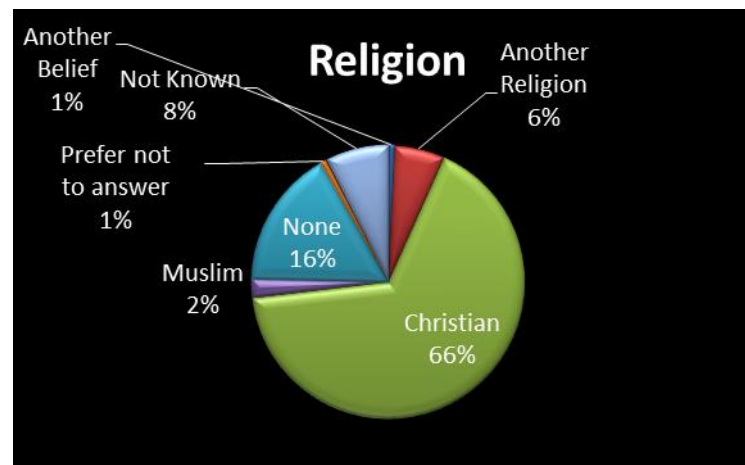
Source: Housing Services Diversity Report (December 2017)

Any issues brought to our attention will be dealt with sensitively on a case by case basis. Housing Services will encourage tenants to declare any issues in terms of harassment, hate crime or domestic abuse which could impact on where we place a tenant on a temporary or permanent decant basis. We recognise that this is an elective process on the part of the resident and Housing Services will respect the confidence given to our officers when a resident discloses this information to use.

In the interim, officers supporting residents should consider specific questions relating to the tenants sexual orientation and how this might link to their housing options. As part of our continued commitment to increasing awareness of all diversity and cultural needs, we provide ongoing training for staff, taking on good anti-discrimination practice. This serves to ensure that residents are placed in a sensitively in an appropriate setting which meets their needs.

Religion/Belief

It is thought that the proposals, in the main, will not have any impact on residents based on their religion, faith or beliefs.



Source: Housing Services Diversity Report (December 2017)

The Regeneration Programme may affect residents that practice their religion by demolishing their place of worship or moving residents away from there. We are aware, that there may be residents within some of the sheltered housing schemes who may like to remain in the proximity of their current place of worship and may require closeness to culturally relevant shops and to their faith groups

As part of continued communication with our stakeholders, we will work with residents and local faith groups to ensure that these links remain in place. Importantly, consideration will be given to ensure that the provision of prayer facilities and understanding of other belief systems is promoted within our schemes.

Gender reassignment

Our knowledge of residents who have undergone gender reassignment is extremely limited. In part, this may be attributable to residents not wishing to disclose this information.

Those that have undergone gender reassignment will be treated fairly and have equal access to support throughout the decanting and rehousing process. In the interim, officers supporting residents should consider specific questions relating to the tenants sexual orientation and how this might link to their housing options.

As part of our continued commitment to increasing awareness of all diversity and cultural needs, we provide ongoing training for staff, taking on good anti-discrimination practice. This serves to ensure that residents are placed in a sensitively in an appropriate setting which meets their needs.

Any issues or concerns brought to our attention will be dealt with sensitively on a case by case basis. Housing Services encourage residents to declare any issues in terms of harassment, hate crime or domestic abuse which could impact on where we place a resident on a temporary or permanent decant basis. We recognise that this is an elective process on the part of the resident and Housing Services will respect the confidence given to our officers when a resident chooses to disclose this information to us.

Pregnancy and maternity

This is not a characteristic affecting residents at our sheltered or extra care schemes.

Marriage and Civil Partnership

From the most recent Diversity report, (December 2017), 15% of residents in the affected sheltered schemes are either married or co-habiting with a partner. 84% of residents in the affected sheltered schemes are single, widowed, divorced or separated. The status of 1% of residents is unknown.

It is thought that the marital or civil partnership status of residents will not impact on residents affected by the redevelopment of the Sheltered Schemes.

Health Impact

Sheltered housing provides a preventive service, reducing the need for more acute intervention later. Housing management and support services in sheltered housing is targeted to assist people to live an active and fulfilling life. The benefits can be seen in the tenancy sustainment, maintenance of independence, the prevention of accidents and poor health, and improvements to physical and mental health. Sheltered housing can prolong independence and self-care by providing a range of low level support services, and supporting people to access more intensive services as and when they need them.

We realise that residents who are settled in these affected schemes will be attached to their scheme and will be unhappy with the upheaval that the redevelopment or closure of their scheme may cause. We recognise that residents may find it difficult to adapt to change. The Council will place great care and attention to detail in order to minimise disruption. We will maintain continuity of service irrespective of a decommissioning decision.

We understand that residents from schemes facing closures will worry and this in turn could have an adverse impact on their health and well-being. To this end, we have published a local lettings plan which will affirm our offer to our residents affected by the closure or redevelopment of one of our housing schemes. In our meetings with residents we will describe in detail how the sensitive transfer and transition process, following accepted good practice, will mitigate any distress as is possible.

Transition plans are put in place for each resident and they will be supported before, during and after they move, when they are moved to another sheltered scheme.

By having well designed and affordable sheltered housing schemes, it will enable current residents to move from accommodation which is less than appropriate or suitable for their needs. Within these redeveloped schemes, we will no longer provide bedsits. All of these schemes will be fully accessible with the provision of lifts to all floors and ramps as required. Security will be greatly improved in all of the schemes. All accommodation will include the provision of light, adequate and modern communal facilities in each scheme.

We will forge stronger links to the local community and our intention is to build social capital and serve the wider community, with the potential to further strengthen the contribution to the local facilities available to local communities through the development of community hubs. According to Census 2011, about 32% (13,449) of the population are aged 65 years and above and live in one-person households. Almost half (48%) of all one person households in Havering are occupied by persons aged 65 years and over, which is the highest proportion in London according to the Census 2011 (Household Composition by Age), Office for National

Statistics (ONS). Our sheltered schemes will provide organised social activities and opportunities during the day, which can promote lifelong learning, healthy living and active ageing. Aside from drawing in other older residents from outside of the scheme the aim is to become more inclusive of the wider older persons community within the borough, providing new opportunities to widen the social networks of scheme residents and to promote and build social cohesion.

Socio Economic Factors

Where applicable these have been highlighted within the assessment for each protected characteristic. In addition, the Council recognises the importance of maintaining social support networks which are often based on locality (neighbours, friends and family) The Local Lettings Plan's (LLP) commitment to residents is that re-housing offers will be based on choice, given the re-housing options available. The aim will also be to move groups of vulnerable residents together where practicable, in order to maintain social networks and a sense of community). It is of course worth highlighting that residents can opt to return to the property location /area once the site has been regenerated, thus mitigating any long term social impacts.

It is recognised that many of our residents are on full or partial housing benefit or on low incomes. However, rent levels for new properties will be set at the appropriate level, according to Council policy and formula at the time. Service charges will be based on the level of service given at the scheme. The Council is not in a position to cap rents or service charges for the new properties, but will provide advice and support where residents are having difficulty paying their rent. This could include signposting to specialist debt advice agencies where appropriate. A person's socio-economic status will not make them any less safe and secure in their homes than anyone else

The LLP sets out the offer to Council tenants. Further information on home loss and disturbance payments, as well as other reasonable expenses, will be published in an additional information pack on the Regeneration Programme.

Given recent tragic events around fire safety in London council blocks, Havering will seek to ensure that all the regenerated sites adhere to the highest standards of fire safety and other health and safety standards, including compliance with current and future regulation. This will apply across all sites and tenure types, so whatever the person's economic status, it will not make them any less secure in their homes than anyone else.

Section 4: Measures to mitigate adverse impact

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
Lesbian, Gay, Bisexual & Transgender	Lack of data will lead to an adverse impact and identification of housing needs for residents	Collate information gathered from 1-2-1's with residents and Housing Needs Assessments where a resident is willing to disclose information to Regeneration Team officers	Better understanding of needs of residents ensuring residents are placed in suitable accommodation.	Ongoing	Sheltered Housing Manager
Disability	Residents may be placed in accommodation which is not suitable for their needs	Ensure all Regeneration Team officers are aware of the constraints within each schemes buildings to ensure that residents are placed in an appropriate setting suitable for their needs.	Residents are placed in the right accommodation first time which is appropriate and provides the right level of support for their needs.	Ongoing	Sheltered Housing Manager
Ethnicity Disability (residents with a visual or hearing sensory impairment)	Unable to understand fully the effects the redevelopment may have on residents with these protected characteristics	Ensure the provision of information in appropriate formats where appropriate.	Residents are fully consulted and engaged with to enable them to make suitably informed decisions. Measured through a satisfaction survey on completion of move.	Ongoing	Sheltered Housing Manager/ Community Engagement Team
All	Lack of awareness of diversity and cultural needs	Ongoing training for staff to raise and ensure awareness of diversity and cultural issues taking on good anti-discrimination practice	Cultural and diversity needs of residents are understood and residents are placed sensitively in an appropriate setting which meets their needs as practicably as possible.	Ongoing	Sheltered Housing Manager

SECTION 5: Monitoring and Review

In this section you should identify how frequently the EIA will be reviewed; the date for next review; and who will be reviewing it. Assessing the impact on equality is an ongoing process that does not end once a policy proposal strategy or review has been agreed or implemented. Your assessment will have helped you to anticipate and address the proposal's potential impact on different groups. However, the actual impact of the proposal will only be known once it has been introduced. You may find that you need to revise the policy if unexpected negative impacts occur.

Reviewing a policy will involve using the experience gained through implementation to consider any possible adjustments. Issues to be considered include:

- **How and when you will measure the impact of the policy?**
- **When will the policy be reviewed and what could trigger an early revision?**
- **Who will be responsible for monitoring and review?**
- **What type of information is needed for monitoring and when it will be analysed?**
- **How to engage stakeholders in implementation, monitoring and review?**

It will only be possible to analyse the actual effect on different groups once the regeneration is underway and residents make their choices. If and when feedback or data indicate that a review may be required, it will be a decision made by the Regeneration Programme Board.

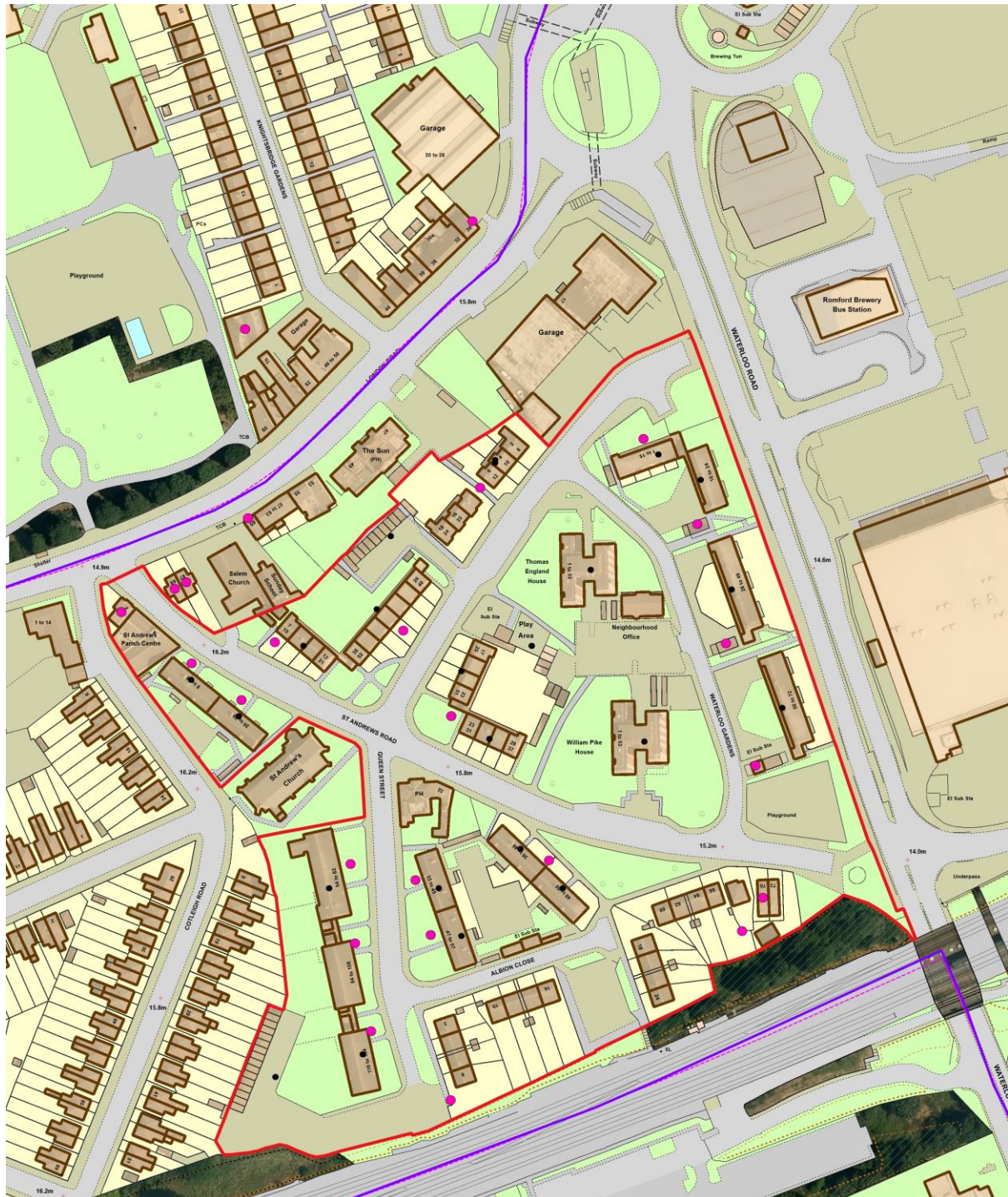
8.6 Completions Schedule

SUMMARY OF ANTICIPATED START ON SITE, SALES COMPLETIONS & OCCUPATIONS - 6TH MARCH 2017			
SITE	START ON SITE	FIRST OCCUPATION	FINAL OCCUPATION
WATERLOO	QTR 3 2019	QTR 4 2021	QTR 3 2028
NAPIER & NEW PLYMOUTH	QTR 3 2019	QTR 4 2021	QTR 1 2024
SOLAR - SERENA - SUNRISE	QTR 3 2019	QTR 2 2021	QTR 1 2023
QUEEN STREET	QTR 3 2019	QTR 2 2020	QTR 1 2021
MAYGREEN	QTR 4 2021	QTR 1 2024	QTR 2 2025
OLD CHURCH	QTR 4 2021	QTR 3 2024	QTR 1 2027
ROYAL JUBILEE COURT	QTR 4 2021	QTR 3 2023	QTR 1 2025
DELTA - T.M.O	QTR 1 2024	QTR 4 2025	QTR 3 2029
DELL COURT	QTR 1 2024	QTR 4 2025	QTR 1 2026
DELDERFIELD	QTR 1 2024	QTR 3 2025	QTR 1 2026
FARNHAM HILLDENE	QTR 1 2025	QTR 4 2026	QTR 3 2027
BRUNSWICK	QTR 1 2025	QTR 1 2027	QTR 3 2027

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Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Waterloo Estate



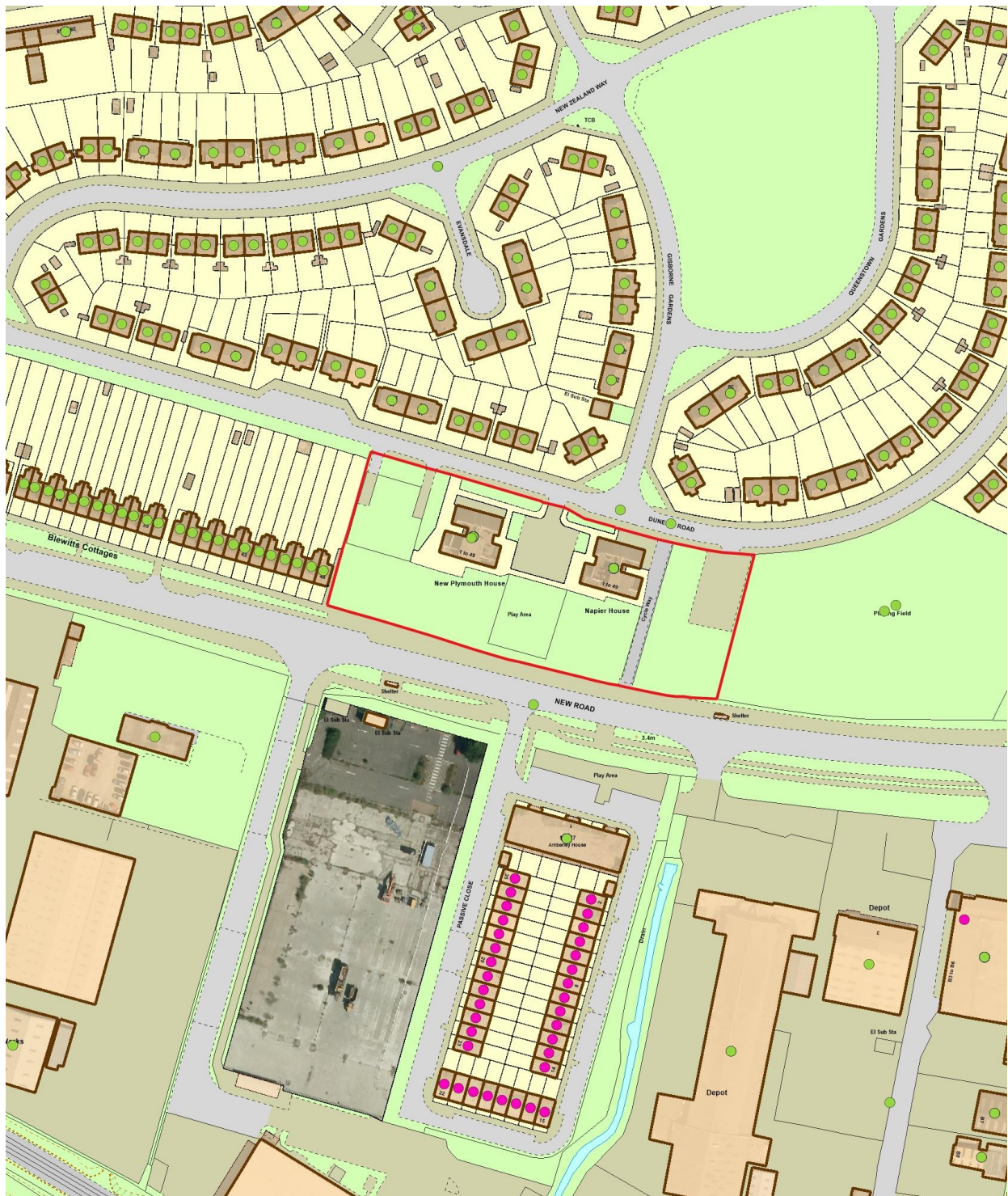
Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Queen Street



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Napier and New Plymouth House



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Solar, Serena and Sunrise Courts



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Brunswick Court



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Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Delta Estate



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Chippenham, Farnham and Hildene



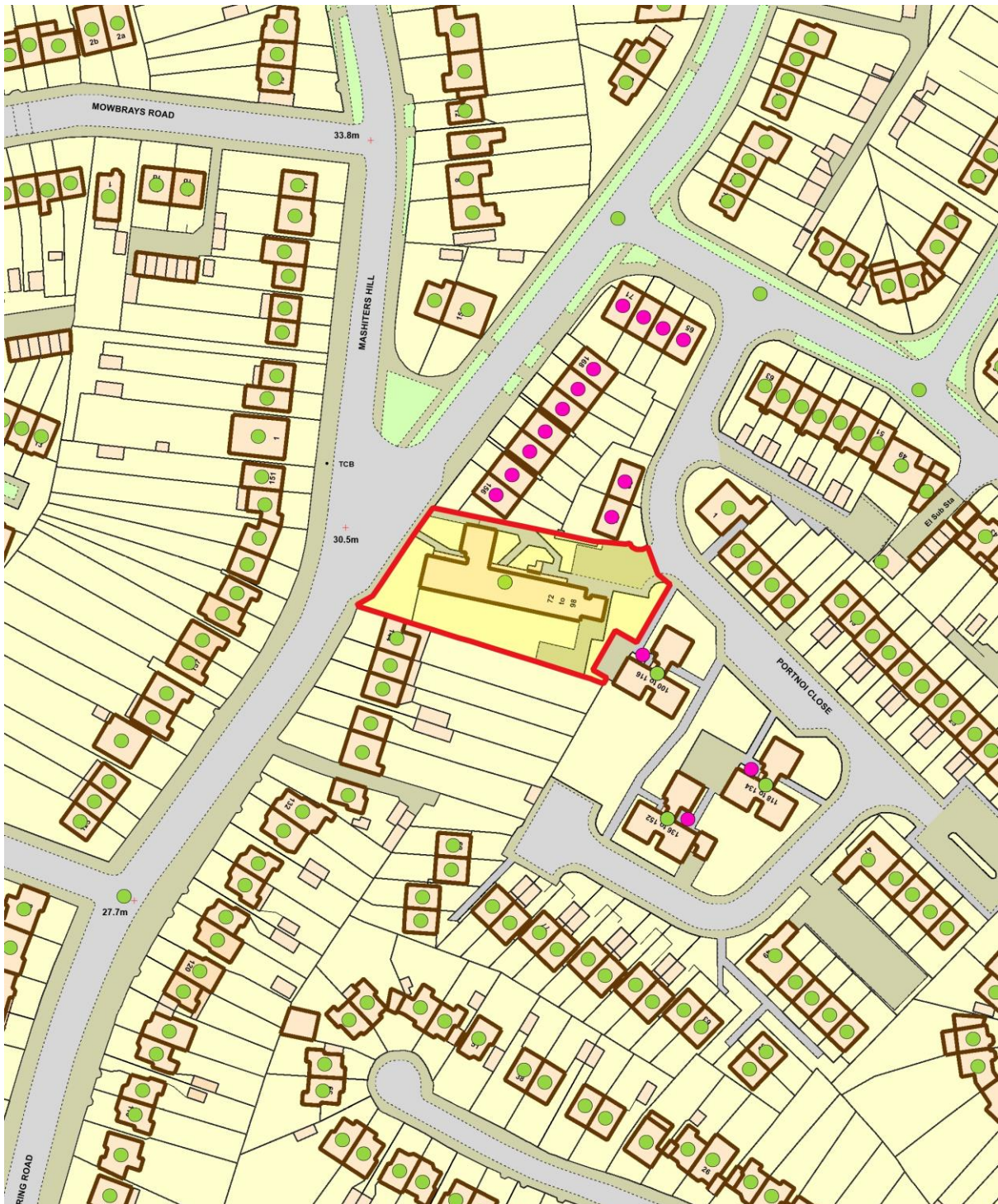
Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Royal Jubilee Court



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Delderfield House



Dell Court



Appendix 8.7 12 HRA Regeneration Sites Red Line Boundaries

Oldchurch Gardens



8.8 Decant schedule – 12 Site Regeneration

ANTICIPATED DECANT REQUIREMENTS (RENTED STOCK) 10 YEAR PROGRAMME									
PROPERTY	START ON SITE	2018	2019	2020	2021	2022	2023	2024	2025
WATERLOO	QTR4 2018	57	0	60	0	60	60	0	0
NAPIER & NEW PLYMOUTH	QTR4 2018	75	0	75	0	0	0	0	0
SOLAR - SRENA - SUNRISE	QTR4 2018	60	0	0	0	0	0	0	0
QUEEN STREET	QTR4 2018	7	0	0	0	0	0	0	0
MAYGREEN	QTR4 2021	0	0	0	50	50	0	0	0
OLD CHURCH	QTR4 2021	0	0	0	50	50	0	0	0
ROYAL JUBILEE COURT	QTR4 2021	0	0	0	45	0	0	0	0
DELTA	QTR1 2024	0	0	0	0	0	0	45	0
DELL COURT	QTR1 2024	0	0	0	0	0	0	20	0
DELDERFIELD	QTR1 2024	0	0	0	0	0	0	15	0
FARNHAM HILLDENE	QTR1 2025	0	0	0	0	0	0	0	114
BRUNSWICK	QTR1 2025	0	0	0	0	0	0	0	15
TOTALS		199		135	145	160	60	80	129

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CABINET

15 June 2016

Subject Heading:

Housing Services Asset Management Strategy

Report URL

www.havering.gov.uk/HousingAssetManagementStrategy2016

Cabinet Member:

Councillor Damian White, Lead Member for Housing.

CMT Lead:

Neil Stubbings

Interim Director of Housing Services.

Report Author and contact details:

Kevin Hazlewood, Homes and Housing Property Services,

Kevin.hazlewood@havering.gov.uk

01708 434091

Policy context:

HRA Policy and budgets

Financial summary:

Agreement of policy directing capital investment into the existing housing stock ensuring a viable HRA business plan..

Is this a Key Decision?

Yes

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

February 2017

Reviewing OSC:

Towns and Communities

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

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

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Havering Council Housing Regeneration Programme Consultation and Communication Strategy

1. Aims

- To keep all stakeholders informed regarding the Housing Regeneration Programme and its progress.
- To ensure all stakeholders are able to provide feedback on proposals that can then be used to shape the programme
- To ensure proper feedback is provided to all stakeholders regarding the way their views have shaped the programme.

2. Timetable

- 2.1 June 2016 initial informal consultations begin
- 2.2 October 2016 report to Cabinet regarding informal consultations
- 2.3 October 2016 onwards regular meetings on all sites to keep information flowing both ways
- 2.4 Summer 2018 Consultation on draft planning applications
- 2.5 Autumn 2018 Formal consultation on planning applications
- 2.6 December 2018 onwards consultation regarding site development work as it takes place

3. Methodology

- 3.1 Each estate will have a named individual Community Engagement Officer as point of contact for residents on that estate
- 3.2 That Community Engagement Officer will work to develop a close, working relationship with all residents on the estate with the intention of being trusted by those residents to give honest and open information.

4. General

- 4.1 A web page will be set up called www.havering.gov.uk/HousingRegeneration which will have links to individual pages for each regeneration site
- 4.2 A web page will be set up called www.havering.gov.uk/ShelteredHousingDevelopments which will have links to individual pages for each sheltered housing scheme whether being regenerated or not
- 4.3 Both these pages will incorporate:
 - 4.3.1 general information on the Housing Regeneration Programme
 - 4.3.2 copies of each version of the Local Lettings Plan
 - 4.3.3 copies of the Demolition Notice and accompanying Information Sheet
 - 4.3.4 copies of other relevant legal documents generic to all regeneration areas
- 4.4 Each edition of *At the Heart* quarterly magazine will have a feature updating information on each regeneration area
- 4.5 Each edition of *Sheltered Times* quarterly magazine will have a feature updating information on each regeneration area
- 4.6 Each edition of *At the Heart online* email monthly magazine will have a feature updating information on each regeneration area
- 4.7 Copies of all newsletters produced will be distributed to local media outlets
- 4.8 Media releases will be issued regarding key dates and activities during the Housing Regeneration Programme
- 4.9 Media briefings will be held when appropriate during the Housing Regeneration Programme
- 4.10 An information sheet explaining Demolition Notices will be prepared and issued with the Demolition Notices in November 2016

Appendix 8.10 Regeneration Consultation and Communication Strategy

- 4.11 Housing Regeneration Programme newsletters will be produced and distributed across all regeneration areas as and when required
- 4.12 The Housing Regeneration Programme Project Board will be kept aware of communications issues as appropriate

5. Tenants

- 5.1 Residents' Open Meetings on each estate will be held whenever there is information to share about regeneration progress impacting on that estate.
- 5.2 Residents' Group will be established on estates wishing to form them and meetings will be held as and when necessary. Each Residents' Group will have a resident as Chair and as Vice Chair with administrative support from Housing Services Community Engagement Team
- 5.3 Training from TPAS will be offered for all members of Residents' Groups
- 5.4 Newsletters will be issued and hand delivered to all residents giving dates of future meetings and summarising the information shared at each meeting – this will record details of the meeting rather than through formal minutes
- 5.5 Web page for each regeneration area will be developed and maintained so it has accurate information on it
- 5.6 Mobile advice centres will be held in each regeneration area as and when required
- 5.7 Each tenant will be offered a one-to-one meeting with their designated estate officer at which their housing needs and desires will be identified. This will be used to produce a Decant Assessment Form which in turn will be used to match each individual tenant against void properties which become available. Tenants will be able to change the Decant Assessment Form whenever they wish and may also request additional one-to-one meetings whenever they wish
- 5.8 Named officers will work with each individual tenant to provide advice, help and support during the decanting process

6. Leaseholders and freeholders

- 6.1 Leaseholders and freeholders will be invited to attend Residents' Open Meetings on each estate will be held whenever there is information to share about regeneration progress impacting on that estate.
- 6.2 Leaseholders and freeholders will be invited to join any Residents' Group established on estates wishing to form them and meetings will be held as and when necessary. Each Residents' Group will have a resident as Chair and as Vice Chair with administrative support from Housing Services Community Engagement Team
- 6.3 Training from TPAS will be offered for all members of Residents' Groups
- 6.4 Newsletters will be issued and hand delivered to all residents giving dates of future meetings and summarising the information shared at each meeting – this will record details of the meeting rather than through formal minutes
- 6.5 Web page for each regeneration area will be developed and maintained so it has accurate information on it
- 6.6 Mobile advice centres will be held in each regeneration area as and when required
- 6.7 A named officer will be available as contact point for leaseholders and freeholders wishing to sell their property to the Council or requiring further information
- 6.8 Individual meetings will be held with leaseholders and freeholders wishing to sell their property to the Council

7. Businesses

Appendix 8.10 Regeneration Consultation and Communication Strategy

- 7.1 Businesses will have their own Open Meetings to discuss issues relating to businesses on each regeneration area
- 7.2 Where requested a Business Focus Group will be established on each regeneration area with a business person as Chair and as Vice Chair with administrative support from Housing Services Community Engagement Team
- 7.3 A named officer will be available to provide support and information to individual businesses as required
- 7.4 Web page(s) will be developed and maintained as and when required
- 7.5 Mobile advice centres will be held in each regeneration area as and when required
- 7.6 Businesses will be permitted to attend Residents' Open Meetings on each estate will be held whenever there is information to share about regeneration progress impacting on that estate
- 7.7 Newsletters will be issued and hand delivered to all businesses giving dates of future meetings and summarising the information shared at each meeting – this will record details of the meeting rather than through formal minutes
- 8. Community Organisations
 - 8.1 Contact will be made with representatives from community organisations (e.g. churches) so they are aware of proposals which may impact on them
 - 8.2 Community organisations can have representatives attend the Residents' Open Meetings if they wish to do so
 - 8.3 Copies of relevant newsletters will be sent to all community organisations
- 9. Neighbours
 - 9.1 Neighbours near each regeneration area will have their own Open Meetings to discuss issues relating to neighbours on each regeneration area
 - 9.2 A named officer will be available to provide support and information to individual neighbours as required
 - 9.3 Newsletters will be issued and hand delivered to neighbours giving dates of future meetings and summarising the information shared at each meeting – this will record details of the meeting rather than through formal minutes
- 10. Sheltered Housing schemes not being regenerated
 - 10.1 Residents' Open Meetings in each of the 12 schemes will be held whenever there is information to share about regeneration progress impacting on that estate.
 - 10.2 The meetings will be used to identify improvements needed in each scheme as part of the Sheltered Housing Investment Programme
 - 10.3 Newsletters will be issued and hand delivered to all residents giving dates of future meetings and summarising the information shared at each meeting – this will record details of the meeting rather than through formal minutes
 - 10.4 Web page for each scheme will be developed and maintained so it has accurate information on it
- 11. Housing Services Staff
 - 11.1 Briefing meetings will be held for staff at least every six months
 - 11.2 Staff Briefing newsletter will be issued at least every six months
 - 11.3 Community Engagement Team Manager will attend Team Briefings for other teams when requested to do so
 - 11.4 Copies of relevant newsletters will be given to Tenancy Sustainment Officers so they are aware of information on their estate
 - 11.5 Copies of all newsletters will be given to the Contact Centre so they are aware of information being distributed
 - 11.6 Intranet and Yammer will be used as appropriate

Appendix 8.10 Regeneration Consultation and Communication Strategy

12. Other Council Services

- 12.1 Newsletters will be shared with the service areas as appropriate
- 12.2 Where appropriate information from other service areas will be included in newsletters and on the web page(s)
- 12.3 Staff from other service areas will be able to attend Staff briefing meetings if they wish to do so
- 12.4 All members of Senior Leadership Team receive all newsletters so they can see any impact on their service area
- 12.5 Intranet and Yammer will be used as appropriate

13. Councillors

- 13.1 Councillors will be invited to all meetings held in their Wards
- 13.2 The Cabinet Member and Deputy Cabinet Member for Housing will be invited to all meetings
- 13.3 Every Councillor will receive a copy of every newsletter issued
- 13.4 Councillors will be made aware of the named Community Engagement Officer for each regeneration area so queries can be addressed rapidly
- 13.5 Councillors' Update newsletters will be produced and issued as and when required
- 13.6 Briefings will be held for Group Leaders when appropriate or requested
- 13.7 Regular briefings will be held with the Cabinet Member and Deputy Cabinet Member for Housing to ensure they are up to date
- 13.8 Briefings with Ward Councillors will be held when appropriate or requested

14. Media

- 14.1 A close working partnership will be developed with Havering Council Corporate Communications Team
- 14.2 Copies of all newsletters and magazines produced will be circulated to all local media
- 14.3 Media releases will be issued as and when required
- 14.4 Media briefings will be held as and when required
- 14.5 Social media will be used to publicise meetings, new newsletters and other relevant activity.
- 14.6 The News (internal staff email newsletter) will be used as appropriate

15. TPAS

- 15.1 Training from TPAS will be offered for all members of Residents' Groups
- 15.2 TPAS will offer an independent free to use phone help line and email advice service for tenants
- 15.3 This service will be publicised through newsletters and via links on the relevant Housing Regeneration Programme web pages

16. Monitoring

- 16.1 Feedback from individuals will be monitored
- 16.2 Feedback from Residents' Groups will be monitored
- 16.3 Feedback from Councillors will be monitored
- 16.4 Satisfaction surveys will include questions regarding communication
- 16.5 Local media will be monitored
- 16.6 Social media will be monitored

8.11 Consultation Update – Dates of meetings and number of attendees.

12 HRA Regeneration Sites

[illegible]

Neighbours of the 12 Sites

Area	Total attended	Meeting Date	Number attended	Meeting Date	Number attended
Brunswick Court	6	25-Apr-17	6		
Chippenham, Farnham, Hildene					
Delderfield House	3	10/05/2017	3		
Dell Court	15	19/04/2017	15		
Delta TMO					
Maygreen Crescent and Park Lane	6	02-May-17	6		
Napier House and New Plymouth House					
Queen Street Sheltered Housing					
Royal Jubilee Court	6	11-May-17	6		
Serena, Solar and Sunrise	2	16-May-17	2		
Waterloo Estate					
Oldchurch Gardens	9	25-May-17	9		
Grand Total	47				

Resident Group meetings

Area	Total attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date
Brunswick Court	7	06-Mar-17	7	07-Sep-17	no meeting recorded					
Chippenham, Farnham, Hilldene Delderfield House		26-Jan-17 29-Mar-17		11-Sep-17	no meeting recorded					
Dell Court	3	27-Mar-17	3	04-Sep-17	no meeting recorded					
Delta TMO	37	05-Sep-17	37							
Maygreen Crescent and Park Lane	3	13-Feb-17	0	17-May-17	3					
Maygreen Crescent and Park Lane Sheltered	2	22-Mar-17	2							
Napier House and New Plymouth House										
Queen Street Sheltered Housing										
Royal Jubilee Court	8	24-Mar-17	8	08-Sep-17	no meeting recorded					
Serena, Solar and Sunrise	16	21-Mar-17	16	04-Sep-17	no meeting recorded					
Waterloo Estate	81	20-Sep-16	19	23-Nov-16	52	07-Feb-17	10	21-Mar-17	10	
Grand Total	157									

Sheltered Schemes that are remaining.

Area	Total attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended	Meeting Date	Number attended
Bards Court	74	28-Jul-16	16	26-Aug-16	15	06-Oct-16	12	02-Feb-17	13	03-Jul-17	8	06-Nov-17	10
Beehive Court	68	14-Jul-16	13	18-Aug-16	14	07-Oct-16	7	03-Feb-17	11	06-Jul-17	15	06-Nov-17	8
Charlbury Court	51	06-Jul-16	8	18-Aug-16	8	06-Oct-16	8	02-Feb-17	5	03-Jul-17	14	23-Oct-17	8
Cockabourne Court	35	06-Jul-16	3	18-Aug-16	10	10-Oct-16	10	03-Feb-17	7	06-Jul-17	2	03-Nov-17	3
Cole Court	63	29-Jul-16	15	18-Aug-16	11	06-Oct-16	11	02-Feb-17	8	03-Jul-17	12	25-Oct-17	6
Cottons Court and Fambridge Court	78	28-Jul-16	10	05-Aug-16	22	12-Oct-16	13	06-Feb-17	8	07-Jul-17	20	26-Oct-17	5
Garrick House	58	25-Jul-16	16	26-Aug-16	8	10-Oct-16	13	06-Feb-17	6	30-Jun-17	11	30-Oct-17	4
Holsworthy House	67	14-Jul-16	16	24-Aug-16	13	06-Oct-16	12	02-Feb-17	8	04-Jul-17	11	25-Oct-17	7
Poplar Street	56	21-Jul-16	16	05-Sep-16	7	18-Oct-16	11	06-Feb-17	8	07-Jul-17	6	26-Oct-17	8
Ravenscourt Grove	66	21-Jul-16	16	24-Aug-16	8	23-Sep-16	6	03-Feb-17	10	07-Jul-17	15	02-Nov-17	11
Thomas Sims Court	69	19-Jul-16	15	31-Aug-16	13	10-Oct-16	12	06-Feb-17	10	30-Jun-17	11	03-Nov-17	8
William Tansley Smith House	78	15-Jul-16	15	16-Aug-16	12	23-Sep-16	12	03-Feb-17	15	07-Jul-17	14	02-Nov-17	10
Grand Total	763												

8.12 Summary of most significant risks at November 2017

As described in section 6, risks will be monitored and managed in a number of ways within the JVLLP and independently within the Council:

- all reports to Members relating to 12 Estates and the JVLLP including the review of the JVLLP Business Plan
- detailed reports to the JVLLP Board prepared by the Development Manager which will be independently scrutinised by the Council's client team
- the Councils Execview performance monitoring system
- other governance and financial reports to Members as advised by the Councils s151 and monitoring officers.

The risks considered to be most significant are summarised below in a format consistent with Execview

Risk	Description	Severity (i.e. impact)	Mitigation
1. Planning	Planning permission is not obtained or there is a significant delay.	Red	<p>The project plan allows for a detailed design process which will include Member, public and stakeholder engagement. The latter will include the GLA and other statutory bodies.</p> <p>A Planning Performance Agreement will formalise consultation with the Local Planning Authority throughout the process.</p> <p>Pre-planning consultation will be undertaken in addition to statutory consultation requirements.</p> <p>The Council must give its approval to each planning application</p> <p>The planning application for the first phase will include a Masterplan for the whole site and seek at least outline approval for subsequent phases.</p>

2. Economic Conditions	<p>Economic conditions Deteriorate leading to slower sales rates or lower sales values.</p> <p>This reduces sales Receipts and/or delays receipts thereby increasing financing costs.</p> <p>Interest rates rise Thereby increasing the Council's and/ or the JVLLP's borrowing costs.</p>	<p>Amber</p>	<p>Each stage of development is subject to a detailed "gateway" process so that the JVLLP's proposals reflect market conditions and provide the owners with the JVLLP with a detailed assessment for decision making.</p> <p>The Council's business case models a more pessimistic "red book" scenario so that the implications of lower than expected sales values are understood.</p> <p>The average sales rate in the JVLLP Business Plan is below that originally proposed by the developer, is comparable with other projects and should be achievable even with a downturn scenario.</p> <p>Negotiated land transactions will as far as possible be phased to ensure that land is only acquired when required thereby partly compensating for any delay in sales.</p> <p>Phased planning applications provides some flexibility to adjust outputs in response to economic conditions (e.g. mix of 1/2/3 beds or residential/ commercial space).</p>
3. Legal Challenge to JVLLP	<p>A third party applies for a Judicial Review or instigates another form of legal action. even if unsuccessful, this would cause delay and incur expenditure.</p>	<p>Amber</p>	<p>The Council has taken external legal advice which is reported to Members in the Cabinet report. The advice confirms the lawfulness of the proposed arrangement and the statutory powers being relied on.</p> <p>A VEAT notice will be issued to provide any party with the opportunity to challenge.</p> <p>Legal advice will continue to be taken as the project progresses.</p>
4. Land acquisition	<p>Land cannot be acquired or the process causes delay.</p>	<p>Amber</p>	<p>The Council controls the site and will engage consultants to carry out the necessary investigations to ensure that any private interests on the earmarked sites are identified and extinguished.</p> <p>The JVLLP's Business Plan includes a Land Acquisition Strategy. There will be continual engagement with landowners, businesses and residents with the intention of securing land by private treaty and assisting relocation where feasible. This includes the Council's agreed Regeneration Plan and Local Lettings Plan in respect of the residential properties.</p>

5. GLA Housing Zone funding	Agreement not reached with the Greater London Authority regarding the terms of Housing Zone Funding due to the level or mix of affordable housing, or timescales for delivery.	Amber	<p>The Council will complete the GLA's due diligence process.</p> <p>A review of the scheme design and financial model will be required if funding is not secured.</p>
7. Client role	Risk of insufficient client capacity and expertise to support and advise Members including monitoring the work of the JVLLP	Amber	<p>The Director of Neighbourhood Services is undertaking a review of resourcing and skills requirements across the Council's regeneration programme and will present proposals to Cabinet.</p> <p>The effectiveness of the client function will be kept under review.</p>
8. Conflict of Interest	There may be situations where the interests or views of the Council differ from those of the JVLLP.	Amber	<p>The Legal Agreements and the JVLLP's Business Plan set objectives and parameters which are reflected in the Cabinet report and the Council's Business Case.</p> <p>Any significant changes in the JVLLP's Business Plan will require Cabinet approval so this alignment is maintained.</p> <p>The Director of Neighbourhood Services' review will distinguish the roles of those representing the Council on the JVLLP and the client function to ensure transparency.</p> <p>The independence of the Council's statutory roles means that there may be differences on matters such as planning; these are common to all development projects and the joint working should reduce the likelihood of such situations arising.</p>

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8.13 Summary of Sensitivities at November 2017

RISK AREA	SENSITIVITY	JV	COUNCIL	COMMENTARY
Financing	JV LLP borrowing rate + 1%	-£9.2m	-£5.8m	The JV LLP agreement is predicated on a 70/30 debt/equity funding arrangement. Given the relatively high level of gearing, the base model was prepared on the assumption that the JV LLP can secure funding from the market at a composite rate of 8% rising to 8.9% over four years. The assumption should provide adequate cover for arrangement, holding fees and base coupon rate.
Economic	Inflation + 1%	+£21.9m	+£10.9m	In line with the long term Bank of England projections, CPI has been modelling at 2% per annum. It is assumed that house price and construction inflation will align at 2% per annum. It is likely to some of the cost risk will be mitigated with the JV LLP entering into a series of fixed price forward construction contracts.
Economic	House Prices £479 psf (Red Book)	-£2.0m	-£3.1m	The base model has been predicated on achieving £500 psf sales revenues on the 12 estates. However, prices may increase further or decrease particularly in the short term.
Economic	Sales (1 Year Delay)	-£42.7m	-£24.0m	The sale of open market sale units underpins this regeneration scheme. An economic downturn may result in individuals being unable to secure mortgage finance. This may result in a reduction or even a halt in sales. This would have a significant impact on the financing of the scheme, as working capital would be invested for a longer period.
Financing	LCHO Units Payment Residual Interest	+£19.3m	+£7.8m	It is currently assumed that the Council will not have to make a direct payment to acquire the residual interest in the LCHO units. This is reflected in the residual land valuations. As part of developing the funding proposal the PSP may require the Council to pay for to acquire the interest as means to reducing the reliance on third party financing. This extra value would be recognised with an appropriate uplift in the site RLV. The JV LLP would see a reduction in its external borrowing costs. Conversely, the Council would be required to increase its initial investment in the JV LLP with an increased likelihood of needing extra borrowing to finance the deal.

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8.14 Consideration in relation to the overarching JVLLP

- Governance and legal structure
- Procurement law
- State aid analysis
- Vires Considerations
- Land Considerations
- Taxation

8.14.1 Part 1: Governance and Structure

The purpose of this section is to set out a high level analysis of how the proposed structure and governance arrangements within the overarching JVLLP option (the “JVLLP”) may operate. However, this will require further discussion with the Council and the proposed PSDP (“Partner” or “PSP”).

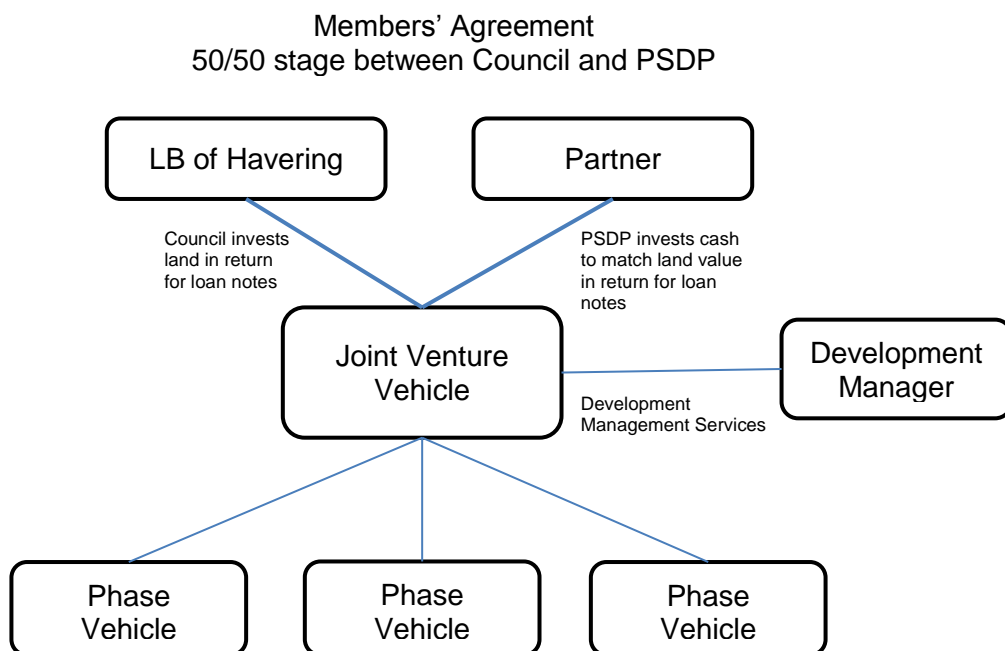
Overview of the JVLLP

The JVLLP will be a corporate vehicle in which it is proposed that the Council and the Partner will each hold a 50/50 equity interest and which is intended to carry out the development of the sites. The Council and the Partner will jointly manage the JVLLP and its assets and will each be entitled to an equal share of the profits of the JVLLP throughout the life of the JVLLP. The JVLLP is a 50:50 partnership where block voting is used and with clearly defined deadlock provisions.

Subject to more detailed tax analysis, there are some potential benefits in utilising a limited liability partnership as the corporate vehicle (see vires analysis in respect of such vehicle below). Such vehicles do not pay corporation tax; the members (equivalent to shareholders) are taxed according to their status. Local authorities do not pay corporation tax and in addition to this, there may also be SDLT savings. A detailed tax analysis will be required if the Council decide to take forward this option.

As indicated in the diagram below, it is possible that there may be Site/phase specific subsidiary vehicles within the JVLLP structure and this aspect will need to be developed with the Council and the Partner.

Structure Diagram



Land contribution and finance

The financial contributions of the parties to the JV would be structured through a loan note structure.

In consideration for the land contributions by the Council, the Council will receive loan notes from the JV to the value of the land at the point of drawdown (in accordance with an agreed valuation mechanism which will be regulatory compliant). Interest will be payable on such loan notes from the date of contribution of land.

The Partner will be required to provide matched funding to the JV in respect of the value of the Council's land contributions. The Partner will receive loan notes from the JV in respect of any such funding upon drawdown by the JV.

The Partner's loan notes will be on the same commercial terms as the Council's loan notes and will rank *pari passu* with the Council's loan notes (in relation to matched funding element referred to above) including the specified interest rate applying to such loan notes.

The JV will also require development finance which will be secured from the market or partners (at their option) and it is expected that this will be on senior debt terms.

Activities of the JV

It is envisaged that the JV (and where applicable, its subsidiary vehicles) will undertake a direct role in some or all of the following activities:

- The master planning design process in relation to the Sites;
- Development of the Sites;

- Ongoing consultation and communication with stakeholders;
- Obtaining planning consents
- Commissioning construction phases and entering into appropriate construction contracts;
- Entering into development management contracts and housing estate management and maintenance contracts; and
- Marketing and managing sales of those phases which are deemed to be appropriate for sale by JV.

Governance of the JV

The JV will have an overarching business plan which will be updated on a rolling basis being renewed annually. This will be agreed prior to the completion of the JV. In addition, prior to contribution of each Site, a Site specific business plan will be agreed which will govern the activities in relation to that particular Site. The JV will be obliged to act within the parameters of the business plan.

The JV governance will operate at the following levels:

Certain decisions will be reserved to the unanimous consent of the members (the Council and the Partner). These decisions can be taken in the interest of the Council (unfettered by the interest of the JV). An example of such reserved matter would be agreement of the business plan. All other decisions shall be taken by the board (subject to delegation to the development manager or under the development management agreement) acting in accordance with the Members Agreement, the overarching business plan, a Site specific business plan and any member resolutions. The board will be obliged to act in the best interests of the JV in making such decisions. It is likely there will be further delegations to the development manager. These are likely to be day-to-day decisions by reference to financial parameters. All these decision will be clearly cast in a delegations schedule as a schedule to the Members Agreement.

Conflict in the JV

Contractual provisions will govern certain areas of conflict for example, where the JV seeks to exercise some form of legal right against one of its members (most likely to be the Partner through some form of default under the Members Agreement or a delivery contract where the PSP or its group member is in default) the party concerned will be disenfranchised from voting on such matter.

Exit

Three potential exit scenarios will be considered below:

- Voluntary (where either party transfers its interest in the JV or the parties agree to wind up the JV);
- Deadlock (where the “marriage” has broken down); and
- Default (where a breach of an agreement occurs).

Voluntary

It is usual for there to be potential for the parties to wind up the JV by mutual consent or to transfer their interest in the JV to a third party (subject to certain parameters around the identity of such transferee) and subject to rights of first refusal in favour of the continuing shareholder/member.

Deadlock

It is usual that there will be an agreed mechanism dealing with deadlock and disputes. This usually includes some form of staged level dispute process including mediation provisions and expert determination. Ultimately, where the deadlock or dispute cannot be resolved this will usually lead to the termination of the JV. This will be a controlled process with land interests not contributed at the date remaining in the control of the Council and most likely a controlled winding up of the JV (following the development of land interests held within the JV to realise development proceeds).

Default

Where the PSP is in default and such default is sufficiently material and is not remedied, the Council shall have the right to purchase the PSP's interest at a discount to the market value, or to elect that the JV is subject to a controlled winding up. Council default is unlikely in context of this structure in view of the limited obligations placed on the Council (primarily to transfer land into the JV upon the satisfaction of certain conditions).

Procurement of Works/ Services

It will be important to ensure that the JV is able to evidence value for money in relation to works/services that it procures. The legal documentation will include a procurement policy which will set out the procurement methodologies that JV will be obliged to follow.

Certain Partners will also undertake construction works and services for the JV. It will be necessary to make sure that the appropriate VFM protections are in place in favour of the JV in such circumstances.

It is likely that the Partner will provide development management services to the JV. These will be provided through a development management services agreement for a fee.

8.14.2 Part 2: Procurement Guidance

The public procurement rules set down in the Public Contracts Regulations 2015 (as amended) ("PCR"), the Concession Contracts Regulations 2016, and supporting case law, make it clear that works, services or supply contracts with a value above the specified financial thresholds must be competitively procured using an EU procurement law compliant tender process.

The selection of a joint venture partner on its own by a public sector contracting authority is not a works, services or supply contract and thus is not a contract which should normally be

procured in accordance with EU procurement law. Likewise, the procurement of investment falls in the same category.

Where the Council wishes to exercise control over the shape and form of development that takes place and receive completed developments undertaken through the award of works, services or supply contracts (on behalf of the public sector JV partner), there is a risk that the joint venture could be seen to be an artificial mechanism for the public sector partner to circumvent EU procurement law requirements. In such circumstances, specific provision for the public procurement rules must therefore be made. In this case, this could be done either by:

- i. Using EU procurement law compliant procurement process to select the investor and the scope of the work to be carried out, thus ensuring that subsequent contracts awarded by the JV which fall within this scope do not require further EU procurement law processes; or
- ii. Placing contractual or constitutional limitations upon the JV to ensure that it uses EU procurement law compliant procurement processes every time it awards a regulated works, service or supply contract.

The formal legal definition of a 'public works contract' is very wide, and there have been a number of EU court decisions addressing the question of how and when EU procurement law applies in a development context. Whether a public works contract arises is very fact-dependent. As such, it may be possible that the JV arrangement itself, or subsequent development activity, will be seen to constitute a regulated works contract.

There are several tests which must be established before a works contract will be held to exist. In summary, these are:

- i. A legally enforceable obligation on a contractual party to deliver works; and
- ii. A requirement for works specified by a public body with an immediate (i.e. direct) economic benefit to that body; and
- iii. 'pecuniary interest' (i.e. a monetary interest) passing to the purchaser for carrying out those works.

All elements of the definition must be met in order for there to be a 'public works contract'. If any element is missing (e.g. there is no legally enforceable obligation to carry out works or there is no pecuniary interest) then there will not be a public works contract.

It is likely that the transfer of land by the Council into the JV with additional controls and/or receipt of development services or developed land from the JV will be seen to involve works contracts due to the development obligations and specifications which the Council will want to impose. As such, the most prudent way forward would be for the Council to put the entire project opportunity (including the selection of the project JV partner) out to market using an EU procurement law compliant process.

The principal PCR compliant procedures are the:

- i. Open Procedure;
- ii. Restricted Procedure;

- iii. Competitive Dialogue; and
- iv. Competitive Procedure with Negotiation.

In the context of this project, it is considered however that it would not be possible to deliver the Council's stated objectives under either the open or restricted procedures due to inherent risks and complexities involved in the potential JV. In our experience, in most cases where the PCR applies, contracting authorities will use either the Competitive Dialogue (CD) Procedure, or the Competitive Procedure with Negotiation (CPN). The market is familiar with CD and the CD procedure is also often the procedure preferred by contracting authorities due to the ability to undertake clarification and minor, non-substantive negotiations once a preferred partner has been selected. This flexibility is not available with the CPN. Therefore, it was concluded that the Council would procure the project using an approach similar to the competitive dialogue procedure which provides the opportunity for a structured approach to procurement. However, as this is more in the nature of a concession contract, the Council reserved the right to deviate from the formalities of this process in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016 (CCR 2016).

Certain Partners will also undertake construction works and services for the JV. It will be necessary to make sure that the appropriate VFM protections are in place in favour of the JV in such circumstances.

It is likely that the Partner will provide development management services to the JV. These will be provided through a development management services agreement for a fee.

8.14.3 Part 3: State Aid Analysis

State Aid

When assessing whether State aid is present in respect of a project, it is necessary to consider whether Article 107(1) of the Treaty on the Functioning of the European Union ("TFEU") is satisfied. Article 107(1) provides as follows:

Save as otherwise provided in the Treaties, any aid granted by a Member State or through state resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.

This Article gives rise to the "Four Part Test" for State aid. This Four Part Test is cumulative and State aid will only exist if all four parts of this test are met. For State aid to exist, the following must be satisfied:

- i. Aid is granted by a Member State or through State resources;
- ii. To a certain undertaking (carrying out economic activities);
- iii. Thereby creating a selective advantage; and
- iv. The transfer of resources distorts or has the potential to distort competition and trade between Member States.

Parts 1, 2 and 4 will all likely be satisfied as the Council's land contributions will constitute State resource as will any other public sector funding; it is widely accepted that property

development is an economic activity; and usually only the most obscure activities are found to not have a potential to affect cross-border trade. As such, if State aid is to be avoided, it will be important to demonstrate that the Council's investment or provision of public sector funding does not confer a selective advantage upon the JV.

If any of the Council's funding was found to constitute unlawful State aid, and if discovered by the European Commission or challenged in court, it would be liable to repayment by the recipient of the aid together with interest at the prescribed rate. The Council could also be subject to damages claims from third parties who have not received aid. Unlawful State aid therefore represents a significant commercial risk to both the Council and the joint venture partner, and is something which should be avoided.

Market Economy Investor Principle

In order to assess whether such an advantage has been conferred, the Market Economy Investor Principle Test ("MEIP Test") should be applied to the assessment. The MEIP Test involves an analysis of the commercial rationale of an investment made by a public body. If it can be said that the terms of the investment constitute normal market terms that would be acceptable to a private sector undertaking in similar circumstances, then the investment will not be deemed to confer an advantage and will not therefore constitute State aid. It is important to note, however that the Council, rather than individual facets of the project structure should apply the MEIP Test to the overall investment decision, and that it should do so before a decision to invest is made.

Pari passu investment (namely investment on equal terms and with equal return and risk) with a private sector investor is deemed to automatically satisfy the MEIP Test.

If the MEIP Test cannot be satisfied, because the investment is not made on commercial terms or does not generate a fully commercial return, alternative State aid solutions may be available and can be explored with the Council.

Services of General Economic Interest

The Council will be receiving funding from the GLA that in broad terms will be used to fund the provision of affordable housing in this project. There are potential State aid implications caused by this, but as explained in the Legal Implications to the Cabinet report dated 12 January 2018 the Council can rely on the exemption for services of general economic interest, which includes the provision of affordable housing.

8.14.4 Part 4: JVLLP vires

The Council has a broad power to provide housing accommodation under section 9, Housing Act 1985 that can be relied on in this project. Section 9 contains no restriction on the type of tenure that must be used if the Council decides to provide the accommodation, or on whether the Council must retain ownership. The power can be relied on where some properties will be developed for market sale as long as that element is undertaken to cross-subsidise the affordable housing, which we understand is the case here.

The Council has the power to make expenditure from the HRA in respect of houses within the HRA (Item 2, Schedule 1, Local Government and Housing Act 1989). This includes acquiring share capital, and can be relied on in this project as the Council will be purchasing completed units from the JVLLP for social rent and shared ownership.

Whilst there are no explicit powers for participation in a JVLLP, reliance is often placed upon s111 Local Government Act 1972 (and the Greater Manchester Trusts case) to participate in companies or other bodies such as a JVLLP. The form of vehicle is a subsidiary matter to the housing and other related powers that the Council would use to redevelop the estates. Alternatively (or additionally) the Council may rely upon the general power of competence in section 1 of the Localism Act 2011, which enables the Council to undertake any activity an individual could undertake, subject to any statutory constraints on the Council's powers.

Since an individual would be able to participate in a corporate joint venture, in the same way the Council would be able to participate in a JVLLP, by subscribing equity and providing loans and other financial investment for the redevelopment of the 12 estates. Since the regeneration is being pursued for housing purposes rather than commercial purposes no reliance needs to be placed upon section 4 Localism Act 2011.

8.14.5 Part 5: Land Contribution

Land Contribution

The land interests contributed to the model by the Council will need to comply with the following elements:

Appropriation and Disposal of Housing Land

Local authorities have a power to override easements and other rights under section 203, Housing and Planning Act 2016 and this could be used for the property to be disposed of to the JVLLP. To do so, the Council must first appropriate the land for planning purposes. Under section 19(2) of the Housing Act 1985, land held for the purposes of Part II housing (commonly referred to as HRA land) cannot be appropriated without Secretary of State (SoS) consent when it includes a house or part of a house. The Council will therefore need to apply for SoS consent. The Council has the power to dispose of property appropriated for planning purposes to the JVLLP under section 233 of the Town and Country Planning Act 1990.

Section 32 of the Housing Act 1985 allows Local Housing Authorities to dispose of housing land but only with the consent of the Secretary of State. The Secretary of State (CLG) has published a series of general consent since 1985, the latest being The General Housing Consent 2013 published in March 2013. The 2013 General Consent includes a number of separate consents with the most relevant being "A: The General Consent for the Disposal of Land held for the purpose of Part II of the Housing Act 1985-2013. Consent "A" draws a distinction between vacant land and dwellings. A Local Housing Authority may dispose of a dwelling provided it is at market value subject to certain exceptions including where the dwelling is occupied by a tenant(s) where consent of the Secretary of State is required. The

General Consent allows a local authority to dispose of vacant land. This can be at any price (market value or less (subject to compliance with State aid rules)). Vacant land is defined as *“land on which no dwelling houses have been built or where dwelling houses have been built such dwelling houses have been demolished or are no longer capable of human habitation and are due to be demolished”*.

If there is any HRA land that will not be appropriated, or if appropriated land is returned to the HRA before development, such land will need to fall within the latter definition if it is to be transferred by the Council to the JVLLP, or will otherwise require a specific consent. There is no qualification or limitation on the form of disposal of vacant land to entities in which the local authority has an interest. A disposal can be by way of conveyance of the freehold or grant of a lease of any duration.

Disposal of non-housing land

Under Section 123 of the Local Government Act 1972, Local Authorities have the power to dispose of land held by them in any matter they wish. However, save for with the consent of the Secretary of State, Local Authorities cannot dispose of land for a “consideration less than the best that can reasonably be obtained”.

Disposal of land include the sale of freehold interest, granting a lease of assigning any unexpired term of a lease, and the granting of easements.

There is a general consent for section 123 in “Circular 06/03 The General Disposal Consent” which may assist where a Local Authority wishes to dispose of land for less than best consideration, if it considers that this will achieve the promotion or improvement of economic, social or environmental well-being of its area:

- i. Subject to a maximum undervalue of £2million; and
- ii. Provided the disposal is State aid compliant; and
- iii. It is satisfied that the land is not held as housing land or under the Planning Act.

State Aid and the Sale of Land and Buildings

Any transfer of land by the Council must be transacted in accordance with the state aid rules in order to avoid the transaction being deemed to include the grant of State aid to the acquiring entity. This will be satisfied where the land is transferred at an open market value as determined by an independent valuation, commonly in accordance with the RICS Red Book principles (in compliance with section 103 of the Commission Notice on the notion of State aid (2016/C 262/01)).

8.14.6 Part 6: Taxation

General

Commonly, public sector asset based development vehicles are structured as either an LLP or an LP, as the tax transparent nature of these vehicles has certain benefits for the partners, including stamp duty land tax (“SDLT”) benefits.

SDLT

The transfers of land from the Council to the JVLLP may have an SDLT advantage over a company structure. In general, it is expected that there would be an SDLT charge on the transfer of private land from the Council to the JVLLP of 50% of market value as the Council's interest in the JVLLP is exempt from SDLT.

SDLT charges may, however, be triggered if value is returned to the members in a three year period following the contribution of land or if a member's interest is transferred or a new member joins the LLP. If the JVLLP were structured as a company, SDLT would be paid on the full market value.

Tax on Returns

The JV, set up as an LLP, will not itself be subject to tax. JVLLPs are tax transparent vehicles, that means that returns generated from the activities for the JV would be taxed in the hands of the members (the Council and the Partner) rather than the JVLLP in accordance with their usual regimes. For the Partner this means that their share of profits arising from the JV would (assuming the Partner is a company) be subject to corporation tax.

The Council of course is not subject to tax and would retain its tax-exempt status in respect of its share of the profits of the JVLLP. If the JVLLP were set up as a company, it would be subject to corporation tax. The Council could not recover tax paid by the JVLLP.

VAT

The VAT treatment of the contribution of assets and development of those assets will need to be analysed to ensure that VAT recovery incurred on construction and other costs is maximised. VAT recovery issues may arise in relation to residential elements, which are to be used for letting rather than sale, and in relation to infrastructure linked to such residential elements.

This notice in TED website: <http://ted.europa.eu/udl?uri=TED:NOTICE:91235-2017:TEXT:EN:HTML>

**United Kingdom-Romford: Development of residential real estate
2017/S 050-091235**

Prior information notice

This notice is for prior information only

Works

Directive 2014/24/EU

Section I: Contracting authority

I.1) Name and addresses

London Borough of Havering
Town Hall, Main Road
Romford
RM1 3BB
United Kingdom
Contact person: Mike Gappy
E-mail: mike.gappy@haverling.gov.uk
NUTS code: UKI21

Internet address(es):

Main address: www.haverling.gov.uk
Address of the buyer profile: www.capitalEsourcing.com

I.2) Joint procurement

I.3) Communication

Additional information can be obtained from the abovementioned address
Electronic communication requires the use of tools and devices that are not generally available. Unrestricted and full direct access to these tools and devices is possible, free of charge, at: www.capitalEsourcing.com

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:

Havering Estate Regeneration Partner — Property/Asset JV Company.

II.1.2) Main CPV code

70111000

II.1.3) Type of contract

Works

II.1.4) Short description:

The Council is planning a future procurement exercise to appoint a partner to form a long term corporate joint venture property vehicle (on a 50:50 ownership basis) to secure investment and expertise to deliver Havering's housing led regeneration strategy. The initial programme is anticipated to involve 12 sites across the borough delivering in the region of 3 000 new homes. The scheme will involve opportunities for development sales. The Council intends to invite soft market testing responses during March and April 2017 from interested organisations with expertise relating to property development and management to inform the procurement exercise which is planned to commence in May 2017.

Market consultation to explore technical and commercial approaches with providers will commence at MIPIM and also involve other soft market testing events to be organised by the Council.

II.1.5) **Estimated total value**

Value excluding VAT: 800 000 000.00 GBP

II.1.6) **Information about lots**

This contract is divided into lots: no

II.2) **Description**

II.2.1) **Title:**

II.2.2) **Additional CPV code(s)**

70210000
45211350
79418000
73220000
65300000
79410000
70000000
79412000
71314300
71314200
71521000
70310000
70111000
71500000
45112700
71200000
45211300
71410000
70331000
45211360
45211340
71420000
45211341
71313400
71313420
71315300
71315200
71000000

71520000
45112710
70110000
45112711
71222000
90712100
70332100
70330000

II.2.3) Place of performance

NUTS code: UKI21

Main site or place of performance:

Priority areas for regeneration within the borough include sites in Waterloo Gardens, New Plymouth and Napier, Solar, Serena and Sunrise Courts, Queen Street, Hornchurch, Rainham and Gidea Park.

II.2.4) Description of the procurement:

The opportunity is a major regeneration and development project to deliver new housing in the London Borough of Havering. The opportunity will focus on Council owned sites throughout the borough (including but not limited to the initial 12 sites) and potentially other sites acquired by the Council (including through the JV) during joint venture period. The JV will focus on delivering housing within the borough for the commercial private sale sector, shared ownership and affordable housing.

Estimated value range of the eventual procurement may be in the range of: 650 000 000 GBP— 800 000 000 GBP in relation to the initial twelve sites. The estimated value relates to the estimated gross development value in the market of the developed assets.

The partner will be required to provide services including (but not limited to) master planning; strategic development consultancy advice; environmental consultancy advice; technical and building services; architectural design; urban design and land.

II.2.14) Additional information

The Council will look to explore various issues during a soft market testing exercise, including the sites on offer, the legal form/structure of the joint venture vehicle (e.g. a company or LLP), the optimum duration of programme, the attractiveness and viability of the opportunity to the market, the operation and governance of the joint venture and due diligence requirements.

II.3) Estimated date of publication of contract notice:

08/05/2017

Section IV: Procedure

IV.1) Description

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

The procurement is covered by the Government Procurement Agreement: yes

Section VI: Complementary information

VI.3) Additional information:

The Council is looking to gauge interest in the proposed JV at MIPIM in Cannes 14-17.3.2017. Please join Neil Stubbings and Steve Moore for the launch at: Local London stand, London Stand-MIPIM 2017, Wednesday 15.3.2017, 15:00-16:00.

If you would like to speak to us at MIPIM then please contact: Neil Stubbings, Director of Housing and Regeneration, 01708 432 970, neil.stubbings@haverling.gov.uk

If you would like to participate in forthcoming market engagement please contact Robert Pert, Savills,
rpert@savills.com

For more information please see <http://www.investinhaverling.co.uk>

VI.5) **Date of dispatch of this notice:**

08/03/2017



London Borough of Havering

Estate Regeneration Programme Memorandum of Information

May 2017

Introduction

Introduction

The London Borough of Havering is a dynamic East London borough. The arrival of three Crossrail stations across the borough in 2019 will significantly improve journey times into central London, improving the connectivity and accessibility of Havering. Havering Council are capitalising on the momentum generated by Crossrail and are actively supporting and encouraging growth across the borough.

Havering is embarking on several major regeneration and development programmes. The borough actively supports and in many cases spearheads these programmes which are designed to preserve and improve its thriving town centres, business areas and tourist attractions, accommodate an expanding population, while protecting and enhancing the many green areas.

It is an exciting time for Havering, the population is increasing and becoming more diverse and the borough is an increasingly attractive part of London in which to develop and invest

Over the next 10 years Havering Council is planning to build around 3,000 new homes for local people, in one of the most ambitious local authority home building programmes in the country. The majority of these homes will be delivered through the redevelopment of 12 estates across the borough.

The Council is launching a competition to appoint a partner to form a long term corporate joint venture property vehicle to secure investment and expertise to deliver Havering's housing led regeneration strategy.

This Memorandum of Information provides interested parties with information about the Estate Regeneration Programme and the competition process.

Context

Havering has lost more than 4,000 Council properties through Right to Buy. A large number of people are housed in hostels and bed and breakfast which is not the best provision for the people concerned, especially families, and is expensive for the Council.

The Council has recently benefited from 'Housing Zone' status in Rainham and Romford. Combining this with plans for an extended estate renewal programme, this presents an unprecedented opportunity to accelerate house building in Havering and realise even wider ambitions for regeneration and growth across the borough.

In addition to the Housing Regeneration Programme there are a number of major developments emerging across the borough:

- **Romford** – The Council is committing to a new vision for growth and transformation of Romford. Crossrail is the region's newest high frequency, high capacity railway which will

connect Essex and East London to the South East, including Heathrow Airport. It will call at Gidea Park, Harold Wood and Romford stations, all of which are set to experience a high level of improvement as part of the Crossrail programme. The Romford Leisure Development is an incredibly exciting project for the borough that will deliver an eight-lane competition swimming pool, a training pool, fitness suite, ice rink and numerous leisure facilities, right in the heart of Romford Town Centre. It is a key project that will dramatically renew the area's cultural offering.

- **Beam Park, Rainham** - Design work is underway for a new railway station at Beam Park in Rainham which will connect the area directly to London Fenchurch Street and the South Essex Coast by 2020. The Beam Park site has potential to provide for the building of 4,000 new homes and two primary schools as well as creating numerous employment opportunities. If approved, the development will benefit and promote Rainham's rich heritage and further strengthen the community.

- **London Riverside** - The London Riverside area extends from East London to Rainham in the south of the borough. It is part of the Thames Gateway redevelopment zone and currently undergoing major regeneration, in part through the Rainham Compass programme. It is expected that by 2025, the development will have created 25,000 jobs and 4-5,000 new homes within Havering. The next few years are likely to see an increase in visitors thanks to the redevelopment of Rainham Hall into a full time National Trust attraction and the expansion of the Rainham Marshes nature reserve.

- **Harold Hill** - The Harold Hill area has been subject to major regeneration courtesy of the Harold Hill Ambitions Programme which began in 2008 and saw significant investment in the borough. Since its launch, 900 new homes have been built or are under construction. £2million has been invested in roads, a new library is being built, a new park with sports facilities added and considerable investment made in the existing Central Park as well as the existing Broxhill Sports Centre. A Learning Village has been introduced to help people of all ages learn and improve their skills and has created opportunities and improved the quality of life for local residents. Drapers' Academy was officially opened by HM Queen Elizabeth II in October 2012 and provides new educational facilities for 11 to 19-year-olds in partnership with Queen Mary's College, London. The local Dagnam Park has been extended by 190 acres and myplace, a £4.5 million youth and community centre, has been built, all combining to make the location an accessible, well-served, and prosperous place to live.

On 15th June 2016 the Council's Cabinet agreed to the development of new council housing across an initial tranche of 12 housing estates, and instructed officers to commence consultation, and to initiate the procurement of a development partner. The overarching vision for the programme is to successfully establish vibrant and connected communities, supported by the provision of good quality new homes, tenure diversity, high quality public spaces, and well-used community facilities within safe and secure environments where people want to live and participate in local activities.

The Council is seeking to establish a long term development partnership to facilitate a programme of estates renewal, through working in partnership with an experienced private sector development partner (PSDP). The Council intends to utilise its assets to re-provide existing homes and create in

the region of c3000 new homes with an estimated Gross Development Value of over c£800m. This will include, but may not be limited to, open market sale (OMS), private rented sector (PRS), affordable and shared ownership homes.

Objectives

The Council's objectives for the programme are:

- To contribute to meeting the wider housing needs of Havering through the regeneration and transformation of the Council's existing stock for predominantly residential use; to provide a choice of good quality housing for people at all stages of life, increasing tenure diversity through affordable rent, shared ownership, private rent, market sale and sheltered housing.
- To deliver high quality residential led development that is commercially viable and generates receipts for cross subsidy to ensure the programme is sustainable.
- To achieve development returns, income and/or a range of secure revenue streams for the Council through re-provision of all Housing Revenue Account ('HRA') stock lost through redevelopment with new HRA stock matching the existing tenure.
- Where viability permits, the developments should **also** aim to deliver additional HRA rented units to the level of existing stock on estates previously purchased under the Right to Buy scheme.
- Where viability permits, the developments should also aim to deliver additional affordable housing being up to 30% of all additional units above existing all tenure stock levels. This additional affordable housing target tenure split to be equal numbers of HRA rented and shared ownership dwellings.
- Land is expected to remain in Council ownership except any freehold properties built for outright sale.
- Where tenants wish to move back to a site, and there is suitable accommodation to meet their needs, they will be able to do so.

The Opportunity

The Estates

The Housing Regeneration programme currently comprises 12 sites but it should be noted that the Council intend, where appropriate, to bring forward further sites for inclusion in the Joint Venture at a future date.

The initial package of 12 sites, with the existing number of homes for each, is set out below:

HOUSING REGENERATION PROGRAMME - CURRENT NUMBER OF HOMES				
Site Name	Site Area (Ha)	Tenanted Homes	Leasehold Homes	Total Homes
Brunswick Court	0.5	47	0	47
Delderfield House	1.0	14	0	14
Dell Court	0.5	29	0	29
Delta Estate	1.6	45	18	63
Farnham & Hildene	n/a	0	0	0
Maygreen Crescent	1.5	77	17	94
Napier & New Plymouth	0.7	87	10	97
Oldchurch Gardens	1.2	65	19	84
Royal Jubilee Court	1.2	79	0	79
Solar, Serena & Sunrise	1.0	55	0	55
Waterloo Estate	4.5	237	48	285
Queen Street	0.5	31	0	31
Total	14.2	766	112	878

The Council has undertaken capacity studies for each of the sites which indicate strong potential to substantially increase the number of homes across the package of sites. Indicative numbers of new homes are set out below and it is the Council's intention, through the Joint Venture, to strongly promote housing growth and the maximum utilisation of public assets.

HOUSING REGENERATION PROGRAMME - CAPACITY STUDY NUMBER OF HOMES				
Site Name	Market Sale Homes	Shared Ownership Homes	Social Rent Homes	Total Homes
Brunswick Court	34	0	15	49
Delderfield House	6	0	6	12
Dell Court	18	0	20	38
Delta Estate	355	0	45	400
Farnham & Hildene	0	63	0	63
Maygreen Crescent	104	0	100	204
Napier & New Plymouth	47	0	150	197
Oldchurch Gardens	203	0	99	302
Royal Jubilee Court	109	0	44	153
Solar, Serena & Sunrise	129	0	60	189
Waterloo Estate	752	327	237	1,316
Queen Street	20	0	7	27
Total	1,777	390	783	2,950

It would not be practicable to start work on all sites simultaneously. It is therefore proposed that the following sites will be prioritised:

- Waterloo Estate (including Queen Street)
- Napier & New Plymouth
- Solar, Serena & Sunrise Court

The opportunity will focus on Council owned sites throughout the borough (including but not limited to the initial 12 sites) and potentially other sites acquired by the Council (including through the JV) during joint venture period.

Commercial Principles

To deliver the regeneration of the 'Havering 12 Estates' the Council wishes to partner with an organisation that can jointly plan, design, fund and deliver the programme of sites over a 15 year+ period. This offers a partner access to a pipeline of residential development sites in a growing part of London, and a long term partnership with an ambitious London local authority committed to growth and development.

The competition will provide scope for bidders to put forward solutions that will meet the Council's objectives. Initial work undertaken by the Council provides the starting principles for this dialogue with bidders:

- The Council and the partner will be members in a limited liability partnership for a minimum defined term subject to renewal.
- The JVV (Joint Venture Vehicle) will take the form of a 50/50 deadlock limited liability partnership in which the JV Partners will each hold an equal interest.
- The principal parties involved in this Joint Venture Vehicle are:
 - the Council
 - the Private Sector Partner (PSP)
 - JVV – structured as a limited liability partnership
 - the PSP Guarantor
 - the Development Manager
 - Providers of works and services
- The JVV's business will be framed by the Partnership Business Plan and individual Site Development Plans.
- A Partnership Agreement – between the Council, the PSP and the JVV – will regulate the conduct and affairs of each party. This will include a Procurement Policy and the Delegation Policy.
- A template Site Development Plan, and approvals process, governing all sites will form part of the Partnership Agreement.
- Funding requirements will be agreed and set out in the Site Development Plan. The PSP and the Council will provide initial working capital to develop proposals.
- An equal number of representatives appointed by each JV Partner. The Board does not want to be too big nor too small to manage to the business of the JVV. The right commercial people need to be appointed so that the Board is a viable commercial decision-making entity.

Resident Engagement

The Council has already undertaken initial resident engagement across all of the estates as follows:

- An initial meeting where the proposals and rationale were explained followed by a question and answer session. Ward councillors were invited to this meeting.
- A newsletter was sent out generally within two weeks of that session to all residents providing details of the proposals along with FAQs and answers.
- After the initial meeting, staff offered and arranged one to one sessions with residents:
 - To ensure the proposals and implications were understood and answer any further questions.
 - To carry out a review of needs and also establish individuals' preferences should a decant be necessary in the future.
 - To provide support and reassurance for residents.
 - To seek individual opinions on the proposals for the estates and schemes.
 - In the sheltered schemes, each resident was advised that any family member or friend could attend the meeting for support.
- Following the meetings and one to one sessions, all feedback and comments were considered against the original proposals and any changes to the proposals identified.
- In relation to the sheltered schemes, discussions were held with colleagues from Adult Social Care to ensure that all proposals meet their future plans for service delivery along with integration with Health Services, including the plans being developed around the Accountable Care Organisation (ACO).
- A second meeting was held at each estate/scheme, approximately one month after the first meeting, to identify the feedback received, the comments regarding each scheme and also to advise how that information had influenced the final proposals to be presented to Cabinet.
- A second newsletter was sent out to each scheme around two weeks after that meeting, detailing the feedback given.

Land Assembly

The Council has started the process of land assembly, including key action as follows:

- From Tuesday 17 January 2017 properties which became empty are being examined to see if they meet the housing needs of people being moved from the regeneration estates and if they match an offer will be made. If the offer is accepted the move will take place as quickly as possible with the Council providing assistance to residents who are moving.

- Every Council tenant who has had a one-to-one meeting about their housing needs has been sent two copies of the Decant Assessment Form which summarises the one-to-one meeting.
- Demolition Notices have been delivered to around 900 properties.
- The Council has contracted TPAS to provide free, independent help and advice to individual tenants. TPAS will provide independent advice to any resident who needs help.
- The first draft of the Local Lettings Plan (LLP) can be accessed here: https://www.havering.gov.uk/info/20057/building_new_homes_for_havering/325/building_new_homes_for_havering/6.
- Leaseholders can sell now - some leaseholders are already in discussion with the Council about selling their property to the Council. Leaseholders and freeholders wishing to sell their property on the Maygreen Crescent and Park Lane, Napier House and New Plymouth House, Oldchurch Gardens or Waterloo Estate regeneration sites are being particularly encouraged to speak to the Council.

Housing Zones

The London Borough of Havering has two Housing Zones covering Romford and Rainham & Beam Park.

Rainham and Beam Park in Havering are two important parts of the London Riverside opportunity area. This stretches for 12 kilometres, from the Royal Docks to Rainham Marshes. Housing zone investment will open up this formerly industrial land for development. The aim is to create a new high quality garden suburb that is sustainable and well connected.

This area has already shown its potential with a raft of recent projects. These include the Centre for Engineering and Manufacturing Excellence (CEME), Orchard Village, Rainham Village and the Rainham Marshes. Now, the new housing zone will open up the area's huge potential to provide the new homes London so urgently needs. The new Housing Zone will:

- Open up new sites to significantly boost and speed up the supply of new homes in the next five years.
- Turn the A1306 into a beautiful boulevard, with a 2km linear park.
- Help the council find land to bring forward development.
- Deliver a new mainline rail station at Beam Park.
- Develop a comprehensive area planning framework and master plan.

Romford was granted Housing Zone status in March 2016. In making the case for Romford to be granted Housing Zone status, the Council was able to point to factors such as:

- The inherent strengths and potential of the town centre, enhanced by the introduction of Crossrail in 2019.

- The clear vision and delivery plan set by Members through the Romford Development Framework approved by Cabinet in July 2015 including the vision referred to earlier in this report.
- The good progress that is being made on the Rainham and Beam Park Housing Zone which was one of the first phase of schemes granted Housing Zone status in 2014.
- The establishment of Mercury Land Holdings which will play an important role in the delivery of private sector housing in the Romford Housing Zone, and the Council's affordable housing delivery programme funded through the Housing Revenue Account.
- A track record of delivering projects and current investment plans for Romford.

Planning Context

The Development Plan for Havering is provided by the Havering Local Development Framework (LDF) incorporating the Romford Area Action Plan and The London Plan with National Planning Policy provided by the National Planning Policy Framework and guidance on this within Planning Practice Guidance available via the Planning Portal. Further non-statutory guidance which has been adopted for development control purposes is provided by the Romford Development Framework and the Rainham and Beam Park Planning Framework, both of which will form part of the evidence base for the forthcoming Local Plan.

The Council is in the process of preparing a new Local Plan which will replace existing planning policies set out in the Local Development Framework (LDF). The Local Plan will guide future development and land use within Havering over the next 15 years up to 2032. Havering's population is expected to grow from 249,085 to 290,739 over this period.

The Council has recently published its 'Local Plan - Direction of Travel', in which the emerging new Local Plan vision is set out. Highlights include:

- Romford will continue to grow as the Borough's main town centre and as a key residential growth area offering high quality town centre living and will be viewed as a place in which residents including families will wish to stay. Romford will benefit from the arrival of Crossrail and improved accessibility into Central London and beyond. Romford will be thriving and competing successfully with Stratford to the west and Lakeside and Bluewater to the east. It will have built upon its traditional character, with a remodelled market place and offer a wider range of retail, service and leisure facilities in a safe, attractive and high quality environment. The increased residential population in the town will support new business and employment opportunities as well as a wider mix of contemporary town centre uses including an enhanced and higher quality restaurant offer.

- Rainham and Beam Park will be successfully transformed; a new green neighbourhood will have been delivered in a well-designed, modern residential environment that supports the wellbeing and health of the community. The new neighbourhood will have its own identity and sense of place, be structured around a new station and vibrant local centre at Beam Park, and integrate with the historic Rainham Village and surrounding residential neighbourhoods. The character of New Road will be transformed from a traffic dominated corridor into an urban street with enhanced public realm and will include a green parkway with high quality walking and cycling infrastructure. New homes will be supported by essential community infrastructure with a new primary school proposed as part of the redevelopment, as well as the establishment of new health and community facilities. The area to the south of Rainham and Beam Park will continue to be a strategically important employment area offering local employment opportunities.
- Upminster and Hornchurch will continue to be thriving town centres, providing a diverse mix of uses with a high quality retail offer and convenient local services. Hornchurch will be a sub-regionally important cultural centre anchored by the Queens Theatre and Fairkytes Arts Centre in attractive settings which complement their role. Smaller centres will continue to be recognised for their importance to local communities.
- The Council will have progressed its house building and estate regeneration programme, providing around 3,000 new, high quality, contemporary homes on existing Council owned housing estates.
- Havering will enjoy a modern, first class, integrated system for getting people and goods around the Borough. The transport system will provide choice and options to reduce the need to travel, offer opportunities for healthier lifestyles and improve the quality of life for all sections of the community, including those who are less mobile. This will provide a competitive advantage for local businesses and will be a major attraction for people moving into the borough. New development will be focused on those parts of the borough most accessible to public transport.
- By 2019 Havering will be benefiting from the completion of Crossrail and the enhanced connections and increased capacity this will provide. A new rail station at Beam Park will serve new residents and businesses in London Riverside by 2020. The Borough will also see enhanced public transport provision encompassing better north-south linkages and improved bus services.

The Sites

Brunswick Court

Brunswick Court is located within the Cranham neighbourhood of Upminster. The site is located south of Macon Way, east of Waycross Road and north of Brunswick Avenue. It is located within a largely residential estate with a small retail parade located approximately 0.1 miles to the west of the Brunswick Court. Upminster which is located 1.4 miles to the south of the site is the main commercial hub in the area.

The capacity proposal for Brunswick Court provides **49 homes** with a mix of 1, 2 and 3-bed units. All blocks are predominantly 3 storey respecting the existing context. The current plan provides 55 parking spaces giving a ratio of 1.12 spaces per unit.

Proposals for the new site will need to:

- Provide an extra care sheltered facility with a 70:30 split between market sale and affordable housing.
- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis.
- Provide appropriate infrastructure and adequate car parking.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Delderfield House

Delderfield House is located along the border between Collier Row and Rise Park, in a suburban area located 1.5 miles to the north of Romford and 7.5 miles to the west of Brentwood, approximately 16 miles east of Central London and within the Ward of Pettits in Havering.

The area surrounding the estate is predominantly residential with a small industrial area located 1 mile to the south west of the site. Lawns Park is situated half a mile to the north of Delderfield House.

Collier Row town centre is one of four minor district town centres within the London Borough of Havering. It has over 70 shops and restaurants and the majority of these outlets are small independent traders.

The capacity proposal for Delderfield provides **12 homes** with a mix of 1, 2 and 3-bed units. It is based on 2 blocks fronting onto Havering Road / Portnoi Close with a central private landscaped amenity. Parking has been provided in the form of private parking courts located in front of the blocks. The current plan provides 18 parking spaces giving a ratio of 1.5 spaces per unit.

Proposals for the new site will need to:

- Work within a constrained site area to produce the best possible design layout and unit mix for the site.

- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Dell Court

Dell Court is located in Hornchurch, a town located to 2.5 miles to the south east of Romford, 1.5 miles west of Upminster and 4 miles north of Rainham, approximately 16 miles east of Central London and within the Ward of St Andrews in the Havering.

The estate itself is located along Ravenscourt Grove, close to the centre of Hornchurch.

The area surrounding the estate is predominantly residential, although the estate is adjacent to a cemetery. Harrow Lodge Park is 1 mile to the west of the estate and Gaynes Parkway is 0.7 miles to the south. There is a wide residential mix in Hornchurch both in terms of a range of units and a range in values.

Hornchurch is identified in the London Plan as a local district centre with 31,000 square metres of commercial floorspace. It is not considered a significant commercial office location but within Havering it is identified as one of seven town centres in the borough. Known as a commuter town, a large proportion of its population commute to Central London each day to work.

The capacity proposal for Dell Court provides **38 homes** with a mix of 1, 2 and 3-bed units in four linear apartment blocks. The two blocks fronting Ravenscourt Grove are predominantly 3 storey respecting the existing context. To the rear of the site two no. 4 storey blocks are proposed and are framed by the private landscaping and parking court.

Provision for parallel parking has been provided at the front of the development which is typical of the existing street. The current plan provides 50 parking spaces giving a ratio of 1.32 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis for over-55s.
- Provide a 70:30 split between market sale and affordable housing.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Delta

The Delta Estate is located within the ward of Squirrels Heath in Gidea Park, a town located 2 miles to the north east of Romford. Approximately 12 miles east of Stratford, 5 miles west of Brentwood and 20 miles to the north east of Central London.

The site itself is located to the north of Squirrels Heath Lane with Elvet Avenue running north to south through the site.

The surrounding area is largely residential with a small amount of retail located around Gidea Park station. From an industry point of view, Romford which is located just 1.5 mile southwest of the Estate, is the main commercial hub of the borough.

The capacity proposal for Delta provides **400 homes** comprising 395 x 1B and 2B units and 5 x 3B houses. The height of the blocks gradually increase from 4 storey (relating in scale to the existing low rise housing on the east) stepping up to 9 storeys at the T junction of Elvet Avenue.

Parking is provided in the form of rear parking courts which have been softened by focal trees and low level hedging. There is a further basement car park with approx. 80 spaces. The current plan provides 365 parking spaces giving a ratio of 0.91 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Farnham and Hildene

The Farnham and Hildene estate is located in Harold Hill, a town located 3 miles to the north east of Romford and 4.5 miles to the south west of Brentwood, approximately 17.5 miles north east of Central London and within the Ward of Gooshays in the Havering.

The estate itself consists of flats above retail units to the south of Hildene Avenue in the centre of a largely residential area.

The area surrounding the estate is predominantly residential. The recreational area of Central Park is located 0.3 miles east of the estate.

Harold Hill has benefitted from the Harold Hill Ambitions regeneration project that was launched in 2007. As part of the programme a number of new facilities were built including a library and a new centre for young people. The library is located on the estate.

The capacity study for Farnham and Hildene looks at the possibility of adding an additional 1 or 2 storeys to the existing building.

The existing development is currently G+3. The assumption at this stage is that rooftop development would provide **63 homes**; this is subject to further design work including building surveys and structural review. We have not reviewed the parking requirements for the proposed redevelopment at this stage and assume subject to further parking surveys that there is capacity in current system.

Proposals for the new site will need to:

- Increase the density of the estate in a way that is sensitive and appropriate to the existing building.
- Consider the impact of additional car parking on existing dwellings.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Maygreen Crescent

The Maygreen Crescent and Park Lane Estate is located within the community of Hornchurch, a town located to the 2.5 miles to the south east of Romford. It is approximately 18 miles northeast of Central London and within the Ward of Hylands in Havering.

The site itself is located south of the Park Lane Recreation Ground and to the north and east of the Roneo Corner Retail Park, Romford. Park Lane runs along the Eastern boundary of the site. The Estate is located less than 0.1 mile to the north of the Hornchurch Road (A124).

The capacity study for Maygreen Crescent creates a series of linear blocks on the East and Western boundary of the site. The proposed semi-private central landscaped amenity runs North to South and serves to create a link with the neighbouring park to the North.

The capacity proposal for Maygreen Crescent provides **204 homes** with a mix of 1, 2 and 3-bed units. Building heights range from G+3 on the eastern boundary stepping up to G+5 on the blocks located in the north-west. There are no north facing single aspect units proposed in the study. The perimeter parking arrangement has been integrated into the scheme in the form of private parking courts. The current plan provides 193 parking spaces giving a ratio of 0.95 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure

blind basis which is complementary to existing dwellings.

- Consider the impact of additional car parking on existing dwellings
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Napier & New Plymouth

Napier House and New Plymouth House are located in Rainham, a town located 2.3 miles to the south east of Dagenham and 4.8 miles to the south of Romford, approximately 15 miles east of Central London and within the Ward of South Hornchurch in Havering.

The estate itself is located at the edge of a residential area, opposite an industrial area and 0.8 miles from the centre of Rainham. The area north of the estate is predominantly residential. To the south of the estate there is an industrial area and beyond that is the River Thames. To the east of the industrial area is the Rainham Marshes Nature Reserve and the RSPB Visitor Centre, 1.6 miles to the south east of the estate.

Rainham has a historic village core, with over 40 independent specialist shops and restaurants. The majority of the independent shops are situated within a designated conservation area. Many of the shops were formally Georgian cottages, which were transformed into shop frontages in the 20th century forming the heart of the village.

The capacity proposal for Napier & New Plymouth provides **197 homes** across four apartment blocks on the southern boundary and 18 houses on the northern boundary to reconnect with the existing urban grain. The urban design response provides positive frontage to both New Road and Dunedin and removes the majority of parking away from the street in the form of rear private parking courts. The houses located on the northern edge are predominantly 2/3 storey, the blocks on the south step up from 4 storey terminating at a 9 storey focal tower. The current plan provides 104 surface parking spaces giving a ratio of 0.53 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Oldchurch Gardens

The Oldchurch Gardens estate is located within the Romford on the south western edge of Romford town centre. Approximately 3 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within the ward of Brooklands in Havering.

The site itself is located south of Oldchurch Road which provides access onto the A125 and east of Dagenham Road which runs south into Dagenham.

The Oldchurch Estate is located within Romford on the south western edge of Romford town centre. Directly to the east of the site is Oldchurch Park and beyond that Queen's Hospital. Romford Cemetery lies to the west of the site. The Estate also lies directly south east of Romford Gas Works. To the north of the site is the new build development Oldchurch Park which is being developed by Nu Living (an arm of Swan Housing Association).

The capacity proposal for Oldchurch Gardens provides **302 homes** with a mix of 137 x 1B and 165 x 2B. The massing and proposed storey heights are in keeping with the existing context. There is an opportunity for a high quality podium deck garden for residents' use and the site benefits from overlooking the hospital green / park to the east.

The capacity study proposes private secure undercroft parking – reducing the visual impact of the car on the street scene. It also proposes strong urban design principles maximising views of the park for a large percentage of the units, as well as designing out north facing units as far as possible.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Royal Jubilee Court

Royal Jubilee Court is off Gidea Close, in Gidea Park, 1.1 miles to the north east of Romford and 6.5 miles to the west of Brentwood, approximately 15.5 miles east of Central London and within the Ward of Pettits in Havering.

The site itself is surrounded by Raphael Park to the west and a residential area to the east. To the south is Main Road which connects Romford with the A127. The estate is located in the affluent neighbourhood of Gidea Park. Many of the properties have outdoor swimming pools and Gidea Park Lawn Tennis Club is in the centre of the residential area, 0.1 mile north of the estate. To the west of

the estate is Raphael Park. This is a large landscaped park originally designed by Sir Humphry Repton, consisting of a lake, sports facilities, cafe and a large play area.

The Council, in partnership with Transport for London, has unveiled updated plans to transform Gidea Park station as part of a series of major improvements on the eastern section of the Crossrail route. Central to the Council's proposals is the design and creation of a new plaza east of the station's front entrance, an improved pedestrian entrance to the north together with some smaller improvements to the overall look of the area around the station. The works will provide better access to the station by improving pedestrian crossings in the station area. This project will include landscaping, new street furniture and cycling related amenities. The provision for taxis and private drop-off will also be improved.

The capacity proposal for Royal Jubilee Court provides **153 homes** in four apartments blocks arranged in a semi-formal configuration. The key drivers for the layout response has been focused on providing a strong frontage to Main Road and maximising the impressive views North for the majority of units. The landscape amenity has been located adjacent to Blacks Canal to create a strong visual connection.

The proposed blocks contain a variety of 1, 2 and 3-bed apartments for use as extra care retirement housing and range in height 4 to 5 storeys.

The current plan provides 103 on surface parking spaces giving a ratio of 0.67 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality retirement village with extra care facilities on a tenure blind basis which is complementary to existing dwellings with a 70:30 split between market sale and affordable housing.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Solar, Serena and Sunrise Court

The Solar, Serena, Sunrise Estate is located in Hornchurch, a town located 2.5 miles to the south east of Romford, 1.5 miles west of Upminster and 4 miles north of Rainham, approximately 16 miles east of Central London and within the Ward of St Andrews in Havering. The estate itself is located next to Harrow Lodge Park, approximately one mile to the south west of Hornchurch town centre.

The area surrounding the estate is predominantly residential. Harrow Lodge Park is adjacent to the west of the estate with the Chase Nature Reserve beyond that, 1.5 miles to the west of the estate. There is a wide residential mix in Hornchurch both in terms of a range of units and a range in values.

The capacity study for Solar, Serena and Sunrise provides **189 homes** with a mix of 1, 2 and 3-bed apartments apartments. The block arrangement has been focused on providing positive frontage,

attractive semi private amenity spaces and maximising the distant views to the open space to the north of Park Hill Close.

The blocks' heights range from four storey in the North where there are existing dwellings in close proximity stepping up to 8 storey centrally in less sensitive areas. Reference has been taken from the existing tower blocks when developing the development proposals.

Semi private courtyards have been created to the south and north-east maximising the benefit of the site orientation and sun path. The existing parking zones have been enhanced with landscape elements to soften the visual impact. We have not reconfigured the hardstanding as there are extensive existing below ground services serving adjacent developments.

The current plan provides 120 parking spaces giving a ratio of 0.63 spaces per unit.

Proposals for the new site will need to:

- Transform the site by providing high quality retirement village with extra care facilities on a tenure blind basis.
- The development should be complementary to existing dwellings with a 70:30 split between market sale and affordable housing.
- Consider the impact of additional car parking on existing dwellings.
- Deliver all homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Waterloo Estate

The Waterloo Estate is located within Romford on the western edge of Romford town centre. Approximately 4 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within Romford Town Ward in Havering. The site itself is located south of London Road and directly west of the A125.

The Waterloo Estate is located within Romford on the western edge of Romford town centre. Directly to the east of the site across the A125 is The Brewery Retail Park. Romford town centre lies beyond this. The Estate also lies directly south east of Cottons Park. To the south of the site is the railway line.

The London Plan identifies Romford as a Metropolitan Centre. These centres are earmarked for the intensification of commercial and residential development as well as improving the competitive choice of goods and services.

The arrival of Crossrail in Romford has seen a lot of new build development in the Romford area which has coincided with the general shift of Londoners moving east.

The capacity proposal for Waterloo Estate provides **1,316 homes**, plus 309 podium parking spaces, as well as 196 surface parking spaces which provides a ratio of 0.4 parking spaces per unit. The units

are a mix of 271 x 1-bed apartments, 683 x 2-bed apartments, 207 x 3-bed apartments, 132 x 3-bed maisonettes and 24 x 3-bed houses. On the eastern edge of the estate the design response is to maximise vistas from the ring road into the estate, integrating the estate into the wider area, and helping to 'humanise' the ring road.

Winter gardens have been incorporated into some buildings fronting Waterloo Road, as a way to increase floorspace without having to deliver entirely single aspect units. Thought has been given to phases to enable development parcels to come forward separately from the central development parcel, upon which the two existing towers are situated. Podium parking in buildings with less floorspace has also been minimised.

Where the storey heights are already constrained by neighbouring development, three-storey townhouses have been proposed.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Queen Street

The Queen Street Estate is located within the Romford on the western edge of Romford town centre. It forms part of the bigger Waterloo Estate (see above). It is approximately 4 miles northeast of Dagenham, 9 miles east of Stratford and 15 miles northeast of Central London. The Estate is located within Romford Town Ward in Havering. The site itself is located south of London Road and directly west of the A125.

The Queen Street Estate is located within Romford on the western edge of Romford town centre. Directly to the east of the site across the A125 is The Brewery Retail Park. Romford town centre lies beyond this. The Estate also lies to the south east of Cottons Park. To the south of the site is the railway line.

The capacity proposal for Queen Street provides **27 homes**, with a mix of 6 x 1-bed apartments, 14 x 2-bed apartments, 4 x 3-bed apartments, and 3 x 3-bed maisonettes. Potential for 4 no. on-street parking spaces has been identified. The units are a mix of. On the eastern edge of the estate the design response is to maximise vistas from the ring road into the estate, integrating the estate into the wider area, and helping to 'humanise' the ring road.

In terms of design winter gardens have been incorporated into some buildings fronting Waterloo Road, as a compromise to increase floorspace without having to deliver entirely single aspect units.

Thought has been given to phases to enable development parcels to come forward separately from the central development parcel, upon which the two existing towers are situated. Podium parking in buildings with less floorspace has also been minimised.

Where the storey heights are already constrained by neighbouring development, three-storey townhouses have been proposed which are cheaper to build per square metre.

Proposals for the new site will need to:

- Transform the site by providing high quality affordable/social and private homes on a tenure blind basis which is complementary to existing dwellings.
- Consider the impact of additional car parking on existing dwellings.
- Replace the existing Council tenanted homes with affordable housing, to an agreed mix and size.
- Deliver all private homes in accordance with the appropriate space and amenity standards approved by the planning authority.

Competition Timetable

The Concession Contracts Regulations 2016 applies to the competition procedure to award the contract. The Council will be following a process similar to the Competitive Dialogue procedure described in Regulation 30 of the Public Contracts Regulations 2015 (as amended). However, it reserves the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulation 2016.

The Council wishes to make the process as efficient as possible, whilst allowing for flexibility and alternative solutions to be discussed and put forward. It is intended to conclude the Competitive Dialogue by late 2017 and appoint in early 2018.

The selection of a Joint Venture partner for the opportunity will be managed through a Competitive Dialogue procedure under OJEU regulations. This will involve:

- A Pre-Qualification Selection Questionnaire (SQ) stage.
- Shortlisting of 5 bidders who will be invited to enter into dialogue with the Council and submit interim tender responses to the Council's Invitation to Participate in Dialogue.
- Shortlisting of 2-3 bidders after assessment of their interim tender responses, who will be invited to participate in further dialogue sessions and submit final tenders in response to the Invitation to Submit Final Tenders.

An indicative timetable is set out below.

Indicative Date	Stage
12.05.2017	Concession Notice dispatched to OJEU
13.06.2017: 13:00 hours	Deadline for the SQ application returns
13.06.2017 – 28.06.2017	Evaluation of SQ applications
30.06.2017	Issue of the "Invitation to Participate in Competitive Dialogue" ("ITPD") to four to six bidders and opening of competitive dialogue and notification to unsuccessful SQ applicants.
10.07.2017 – 02.08.2017	Initial Dialogue Meeting dates with the four to six shortlisted bidders
20.07.2017	Deadline for ITPD clarification questions from shortlisted bidders
11.08.2017	Deadline for return of ITPD Responses.
14.08.2017 – 11.09.2017	Clarification and evaluation of ITPD Response.

13.09.2017	Issue of Invitation to Continue Dialogue (“ITCD”) to two to three shortlisted bidders and notification to unsuccessful bidders.
18.09.2017 – 30.10.2017	Period for dialogue meetings and negotiations with final two to three bidders
30.10.2017	End of Competitive Dialogue stage and issue of Invitation to Submit Final Tenders (“ISFT”).
30.10.2017 – 04.12.2017	Period for remaining bidders to finalise tenders.
04.12.2017	Deadline for return of Final Tenders.
04.12.2017 – 11.12.2017	Clarifications and evaluation of Final Tenders.
11.12.2017 – 15.01.2018	Authority internal approval process for Preferred Bidder appointment. Period for confirming commitments of the Preferred Bidder’s Final Tender and finalising the terms of the contract and the Authority's internal approvals for reaching a contract award decision.
15.01.2017	Announcement of the Authority’s final contract award decision in respect of the successful Bidder. Issue of contract award notifications and debriefing information to unsuccessful participants commencing the 10-day standstill period.
29.01.2018	Expiry of standstill period.
29.01.2018	Contract close with successful Bidder.
Tbc	Appointed provider to start on the property development

At this stage, the timetable is subject to confirmation and the Authority reserves the right to amend this indicative timeframe as the project progresses.

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Overview

PQQ Code	pqq_OSH_722
PQQ Title	Havering – Estate Regeneration Partner – Property/Asset JV Company SQ
PQQ Description	
Status	Running

PQQ Settings

Online Response Required:	Yes
Closing	13/06/2017 13:00:00
Time Limit for Expressing Interest	13/06/2017 13:00:00
Awarding Strategy	No ranking

Attachments

Path	Description	Folder Size
Top Level (0)		
The Directory is empty		
Path	Description	Folder Size
Top Level/Heads of Terms (1)	Heads of Terms	169 KB
Filename	Downloadable	Last Modification Date
Heads of Terms.pdf	Yes	12/05/2017
Heads of Terms		169 KB
Path	Description	Folder Size
Top Level/Memorandum of Understanding (1)	Memorandum of Understanding	394 KB
Filename	Downloadable	Last Modification Date
LB Havering MOI 120517.pdf	Yes	12/05/2017
Memorandum of understanding		394 KB
Path	Description	Folder Size
Top Level/Selection Questionnaire Part 1 (1)	Information about the procurement process and and in particular the pre-qualification process and evaluation	223 KB
Filename	Downloadable	Last Modification Date
SQ Part 1 Info & Instructions_FINAL with OJEU ref_2017.05.17.pdf	Yes	17/05/2017
		223 KB
Path	Description	Folder Size
Top Level/System guidance (1)	This document provides broad guidance on using capitalEsourcing for suppliers.	1,094 KB
Filename	Downloadable	Last Modification Date
System Guidance.docx	Yes	26/04/2017
		1,094 KB

Envelopes

Qualification Envelope	Yes
Technical Envelope	No
Commercial Envelope	No

Qualification Envelope

General Attachments
Not Allowed

Notes for completion

Question	Description
Note	The “authority” means the contracting authority, or anyone acting on behalf of the contracting authority, that is seeking to invite suitable candidates to participate in this procurement process.
Note	“You” / “Your” refers to the potential supplier completing this standard Selection Questionnaire i.e. the legal entity responsible for the information provided. The term “potential supplier” is intended to cover any economic operator as defined by the Public Contracts Regulations 2015 (referred to as the “regulations”) and could be a registered company; the lead contact for a group of economic operators; charitable organisation; Voluntary Community and Social Enterprise (VCSE); Special Purpose Vehicle; or other form of entity.
Note	Please ensure that all questions are completed in full, and in the format requested. If the question does not apply to you, please state ‘N/A’. Should you need to provide additional information in response to the questions, please submit a clearly identified annex.
Note	The authority recognises that arrangements set out in section 1.2 of the standard Selection Questionnaire, in relation to a group of economic operators (for example, a consortium) and/or use of sub-contractors, may be subject to change and will, therefore, not be finalised until a later date. The lead contact should notify the authority immediately of any change in the proposed arrangements and ensure a completed Part 1 and Part 2 is submitted for any new organisation relied on to meet the selection criteria. The authority will make a revised assessment of the submission based on the updated information.
Note	For Part 1 and Part 2 every organisation that is being relied on to meet the selection must complete and submit the self-declaration.
Note	At the contracting authority's discretion, all sub-contractors may be required to complete Part 1 and Part 2.

Note	For answers to Part 3 – If you are bidding on behalf of a group, for example, a consortium, or you intend to use sub-contractors, you should complete all of the questions on behalf of the consortium and/ or any sub-contractors, providing one composite response and declaration.
Note	The authority confirms that it will keep confidential and will not disclose to any third parties any information obtained from a named customer contact, other than to the Cabinet Office and/or contracting authorities defined by the regulations, or pursuant to an order of the court or demand made by any competent authority or body where the authority is under a legal or regulatory obligation to make such a disclosure.

Part 1 – Potential supplier Information

Question	Description	Question Type
Note	Please answer the following questions in full. Note that every organisation that is being relied on to meet the selection must complete and submit the Part 1 and Part 2 self-declaration.	
SQ-1.1(a)	Full name of the potential supplier submitting the information	Text
SQ-1.1(b) – (i)	Registered office address (if applicable)	Text
SQ-1.1(b) – (ii)	Registered website address (if applicable)	Text
SQ-1.1(c)	Trading status	Option List
SQ-1.1(c) – (other)	If 'other', please specify your trading status	Text
SQ-1.1(d)	Date of registration in country of origin	Date
SQ-1.1(e)	Company registration number (if applicable)	Text
SQ-1.1(f)	Charity registration number (if applicable)	Text
SQ-1.1(g)	Head office DUNS number (if applicable)	Text
SQ-1.1(h)	Registered VAT number	Text
SQ-1.1(i) – (i)	If applicable, is your organisation registered with the appropriate professional or trade register(s) in the member state where it is established?	Option List
SQ-1.1(i) – (ii)	If you responded yes to 1.1(i) – (i), please provide the relevant details, including the registration number(s).	Text
SQ-1.1(j) – (i)	Is it a legal requirement in the state where you are established for you to possess a particular authorisation, or be a member of a particular organisation in order to provide the services specified in this procurement?	Option List
SQ-1.1(j) – (ii)	If you responded yes to 1.1(j) – (i), please provide additional details of what is required and confirmation that you have complied with this.	Text
SQ-1.1(k)	Trading name(s) that will be used if successful in this procurement	Text
SQ-1.1(l)	Relevant classifications (state whether you fall within one of these, and if so which one)	Multi Choice Option List
SQ-1.1(m)	Are you a Small, Medium or Micro Enterprise (SME)?	Option List
Question	Description	Question Type
Note	See EU definition of SME: http://ec.europa.eu/enterprise/policies/sme/facts-figuresanalysis/sme-definition/	
Question	Description	Question Type
SQ-1.1(n)	Details of Persons of Significant Control (PSC), where appropriate: – Name; – Date of birth; – Nationality; – Country, state or part of the UK where the PSC usually lives; – Service address; – The date he or she became a PSC in relation to the company (for existing companies the 6 April 2016 should be used); – Which conditions for being a PSC are met; – Over 25% up to (and including) 50%, – More than 50% and less than 75%, – 75% or more. (Please enter N/A if not applicable)	Text
SQ-1.1(o) Details	Details of immediate parent company: – Full name of the immediate parent company – Registered office address (if applicable) – Registration number (if applicable) – Head office DUNS number (if applicable) – Head office VAT number (if applicable) (Please enter N/A if not applicable)	Text
SQ-1.1(p)	Details of ultimate parent company: – Full name of the ultimate parent company – Registered office address (if applicable) – Registration number (if applicable) – Head office DUNS number (if applicable) – Head office VAT number (if applicable) (Please enter N/A if not applicable)	Text
Question	Description	Question Type
Note	Please note: A criminal record check for relevant convictions may be undertaken for the preferred suppliers and the persons of significant in control of them.	

Question	Description
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Note	Please provide the following information about your approach to this procurement:	
Question	Description	Question Type
SQ-1.2(a) – (i)	Are you bidding as the lead contact for a group of economic operators? If yes, please provide details listed in questions 1.2(a) (ii), (a) (iii) and to 1.2(b) (i), (b) (ii), 1.3, Section 2 and 3. If no, and you are a supporting bidder please provide the name of your group at 1.2(a) (ii) for reference purposes, and complete 1.3, Section 2 and 3.	Option List
SQ-1.2(a) – (ii)	Name of group of economic operators (if applicable)	Text
SQ-1.2(a) – (iii)	Proposed legal structure if the group of economic operators intends to form a named single legal entity prior to signing a contract, if awarded. If you do not propose to form a single legal entity, please explain the legal structure.	Text
SQ-1.2(b) – (i)	Are you or, if applicable, the group of economic operators proposing to use sub-contractors?	Option List
SQ-1.2(b) – (ii)	If you responded yes to 1.2(b)–(i) please provide additional details for each subcontractor here. We may ask them to complete this form as well.	Attachment

Part 1 – Declaration

Question	Description	Question Type
Declaration	<p>I declare that to the best of my knowledge the answers submitted and information contained in this document are correct and accurate.</p> <p>I declare that, upon request and without delay I will provide the certificates or documentary evidence referred to in this document.</p> <p>I understand that the information will be used in the selection process to assess my organisation's suitability to be invited to participate further in this procurement.</p> <p>I understand that the authority may reject this submission in its entirety if there is a failure to answer all the relevant questions fully, or if false/misleading information or content is provided in any section.</p> <p>I am aware of the consequences of serious misrepresentation.</p>	Option List

Part 1 – Contact details

Question	Description	Question Type
SQ-1.3(a)	Contact name	Text
SQ-1.3(b)	Name of organisation	Text
SQ-1.3(c)	Role in organisation	Text
SQ-1.3(d)	Phone number	Text
SQ-1.3(e)	E-mail address	Text
SQ-1.3(f)	Postal address	Text

Part 2 – Grounds for mandatory exclusion

Question	Description	Question Type
Note	Please answer the following questions in full. Note that every organisation that is being relied on to meet the selection must complete and submit the Part 1 and Part 2 self-declaration.	
Regulations 38(8) and (9) of the Concession Contracts Regulations 2016	<p>The detailed grounds for mandatory exclusion of an organisation are available at www.legislation.gov.uk through the link: http://www.legislation.gov.uk/ukxi/2016/273/pdfs/ukxi_20160273_en.pdf , which should be referred to before completing these questions.</p> <p>Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below.</p>	
URL	http://www.legislation.gov.uk/ukxi/2016/273/pdfs/ukxi_20160273_en.pdf	
Question	Description	Question Type
SQ-2.1(a).1	Conviction for Participation in a criminal organisation.	Option List
SQ-2.1(a).2	Conviction for Corruption.	Option List
SQ-2.1(a).3	Conviction for Fraud.	Option List
SQ-2.1(a).4	Conviction for Terrorist offences or offences linked to terrorist activities	Option List
SQ-2.1(a).5	Conviction for Money laundering or terrorist financing	Option List
SQ-2.1(a).6	Conviction for Child labour and other forms of trafficking in human beings	Option List
SQ-2.1(b)	<p>If you have answered yes to question 2.1(a), please provide further details.</p> <p>Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction,</p> <p>Identity of who has been convicted</p> <p>If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents</p>	Text

SQ-2.2	If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion ? (Self Cleaning)	Text
SQ-2.3(a)	Regulation 38 (10) of the Concession Contracts Regulations 2016 Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?	Option List
SQ-2.3(b)	If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid, or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines.	Text
Question	Description	
Note	Please Note: The authority reserves the right to use its discretion to exclude a potential supplier where it can demonstrate by any appropriate means that the potential supplier is in breach of its obligations relating to the non-payment of taxes or social security contributions.	

Part 2 – Grounds for discretionary exclusion

Question	Description
Regulation 38 (16) Concession Contracts Regulations 2016	The detailed grounds for mandatory exclusion of an organisation are available at www.legislation.gov.uk through the link http://www.legislation.gov.uk/ukxi/2016/273/pdfs/ukxi_20160273_en.pdf , which should be referred to before completion.
URL	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/551130/List_of_Mandatory_and_Discretionary_Grounds_for_Exclusion.pdf
Question	Description
SQ-3.1(a)	Breach of environmental obligations?
SQ-3.1 (b)	Breach of social obligations?
SQ-3.1 (c)	Breach of labour law obligations?
SQ-3.1(d)	Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or in an analogous situation arising from a similar procedure under the laws and regulations of any State?
SQ-3.1(e)	Guilty of grave professional misconduct?
SQ-3.1(f)	Entered into agreements with other economic operators aimed at distorting competition?
SQ-3.1(g)	Aware of any conflict of interest within the meaning of Regulation 35 of the Concession Contract Regulations 2016 during participation in the procurement procedure?
SQ-3.1(h)	Been involved in the preparation of the procurement procedure?
SQ-3.1(i)	Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, or other comparable sanctions?
SQ-3.1(j) – (i)	The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the grounds for exclusion or the fulfilment of the selection criteria.
SQ-3.1(j) – (ii)	The organisation has withheld such information.
SQ-3.1(j)– (iv)	The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.
SQ-3.2	If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)

Part 3: Selection Questions – Economic and Financial Standing

Question	Description	Question Type
SQ-4.1	Are you able to provide a copy of your audited accounts for the last two years, if requested?	Option List
SQ-4.1(a-c)	If no, can you provide one of the following: (a) A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation. (b) A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position. (c) Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status).	Option List

Part 3: Selection Questions – Economic and Financial Standing Continued

Question	Description	Question Type
SQ-4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out.	Option List

Part 3: Selection Questions – Group

Question	Description	Question Type
Note	If you have indicated in the Selection Questionnaire question 1.2 that you are part of a wider group, please provide further details below	
Question	Description	Question Type

SQ-5(a)	Name of organisation	Text
SQ-5(b)	Relationship to the Supplier completing these questions	Text
SQ-5.1	Are you able to provide parent company accounts if requested to at a later stage?	Option List
SQ-5.2	If yes, would the parent company be willing to provide a guarantee if necessary?	Option List
SQ-5.3	If no, would you be able to obtain a guarantee elsewhere (e.g. from a bank)?	Option List

Part 3: Selection Questions – Technical and Professional Ability

Question	Description	Question Type
SQ-6.1	<p>Please provide details of up to three contracts, in any combination from either the public or private sector; voluntary, charity or social enterprise (VCSE) that are relevant to our requirement. VCSEs may include samples of grant-funded work. Contracts for supplies or services should have been performed during the past three years. Works contracts may be from the past five years.</p> <p>The named contact provided should be able to provide written evidence to confirm the accuracy of the information provided below.</p> <p>Consortia bids should provide relevant examples of where the consortium has delivered similar requirements. If this is not possible (e.g. the consortium is newly formed or a Special Purpose Vehicle is to be created for this contract) then three separate examples should be provided between the principal member(s) of the proposed consortium or Special Purpose Vehicle (three examples are not required from each member).</p> <p>Where the Supplier is a Special Purpose Vehicle, or a managing agent not intending to be the main provider of the supplies or services, the information requested should be provided in respect of the main intended provider(s) or sub-contractor(s) who will deliver the contract.</p> <p>If you cannot provide examples see question 6.3</p>	Attachment
SQ-6.2	<p>Where you intend to sub-contract a proportion of the contract, please demonstrate how you have previously maintained healthy supply chains with your sub-contractor(s)</p> <p>Evidence should include, but is not limited to, details of your supply chain management tracking systems to ensure performance of the contract and including prompt payment or membership of the UK Prompt Payment Code (or equivalent schemes in other countries)</p>	Attachment
SQ-6.3	If you cannot provide at least one example for questions 6.1, in no more than 500 words please provide an explanation for this e.g. your organisation is a new start-up or you have provided services in the past but not under a contract.	Text

Part 3: Selection Questions – Modern Slavery Act 2015

Question	Description	Question Type
SQ-7.1	Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")?	Option List
SQ-7.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015?	Option List
SQ-7.2(a)	If you have answered yes to question 7.2, please provide the relevant URL	Text
SQ-7.2(b)	If you have answered no to question 7.2, please provide an explanation	Text

Additional Questions – Insurance

Question	Description	Question Type
SQ-8.1	<p>Please self-certify whether you already have, or can commit to obtain, prior to the commencement of the contract, the levels of insurance cover indicated below:</p> <p>Employer's (Compulsory) Liability Insurance = £10 million Public Liability Insurance = £20 Million Professional Indemnity Insurance = £10 million Product Liability Insurance = £20 Million</p> <p>*It is a legal requirement that all companies hold Employer's (Compulsory) Liability Insurance of £5 million as a minimum. Please note this requirement is not applicable to Sole Traders.</p>	Option List
Question	Description	
Note	Suppliers who self-certify that they meet the requirements to these additional questions will be required to provide evidence of this if they are successful at contract award stage.	

Additional Questions – Skills and Apprentices

Question	Description	Question Type
SQ-8.2(a)	<p>Public procurement of contracts with a full life value of £10 million and above and duration of 12 months and above should be used to support skills development and delivery of the apprenticeship commitment. This policy is set out in detail in Procurement Policy Note 14/15.</p> <p>Please confirm if you will be supporting apprenticeships and skills development through this contract.</p>	Option List
SQ-8.2(b)	If yes, can you provide at a later stage documentary evidence to support your commitment to developing and investing in skills, development and apprenticeships to build a more skilled and productive workforce and reducing the risks of supply constraints and increasing labour cost inflation?	Option List
SQ-8.2(c)	Do you have a process in place to ensure that your supply chain supports skills, development and apprenticeships in line with PPN 14/15 (see guidance on page 509) provide evidence if requested?	Option List

Construction Experience

Question	Description	Question Type
SQ 8.3	<p>Please provide up to three examples of relevant experience from the past 5 years where you have constructed developments of 100+ new homes.</p> <p>Your responses should describe:</p> <ul style="list-style-type: none"> • the size, value, type and number of units delivered • how the construction method adopted ensured high quality build • how you effectively, procured, co-ordinated and managed the supply chain in terms of labour and materials at the site to deliver the construction • your approach for ensuring that effective health and safety measures were in place and regulations adhered to during construction • how you minimised disruption and impact to the local community during construction • how you engaged with the client and stakeholders to ensure the suitability of the placemaking • the approaches and processes employed to effectively deal with planning approval • how you planned and managed the programme to deliver the housing requirement on time and within budget • how you provided post-completion after-sales services in relation to the properties including dealing with snagging and defects 	Attachment
Question	Description	
Assessment and response length	<p>The responses to this question will be assessed holistically to arrive at a score between 0–10 points. This question carries a weighting of 20%.</p> <p>Your response to this question should be no more than 3000 words.</p>	

Minimum Experience in Sales and Marketing

Question	Description	Question Type
SQ 8.4 Part 1	<p>Please provide details of up to three contracts, in any combination from either the public or private sector, where you have delivered sales of units in relation to a housing development scheme. The scheme should demonstrate marketing and sales involving a range of value points on the market between £300 – £700 £sqft aimed at different consumers including local markets . Services should have been performed during the past three years.</p> <p>The named contact provided should be prepared to provide written evidence to the authority to confirm the accuracy of the information provided in response to this question. (N.B. where the service is provided pursuant to a contract with an external organisation the named contact in the organisation should be provided; where the service is provided internally, an internal contact should be provided)</p>	Attachment
SQ 8.4 Part 2	<p>With reference to the contract examples provided above please provide details of your experience and capability in respect of the points below:</p> <ul style="list-style-type: none"> • How you assessed demand for housing types in an area and determined the most effective development type, branding approach and marketability of new developments relevant to the Council's development programme. • How you delivered an effective marketing and sales strategy for a range of value points for new homes which secured the interest of potential buyers of the units • How you maximised sales and the timing of unit sales (including in order to maximise the funding available for the development) • How you approached the sales process effectively in order to maximise the rate of sales and the rates of return when selling units 	Attachment
Question	Description	
Assessment and response length	<p>This is a two-part question.</p> <p>PART 1 Part 1 will be assessed on a pass/fail basis. The Council reserves the right to reject a bidder that fails to satisfy the following pass requirement.</p> <p>In order to pass, you must provide:</p> <p>Two examples of a contract performed in the last three years where you have delivered the sale of a minimum of 250 units in relation to a housing development.</p> <p>PART 2 The responses to Part 2 will be assessed holistically to arrive at a score between 0–10 points.</p> <p>Part 2 carries a 20% weighting</p> <p>Your response to Part 2 should be no more than 1500 words</p>	

Experience in Joint Ventures and Partnering

Question	Description	Question Type
SQ 8.5	Please see the attachment for full details of this question	Attachment
Question	Description	
Assessment and response length	<p>The responses to this question will be assessed holistically to arrive at a score between 0–10 points.</p> <p>This question carries a weighting of 20%.</p> <p>Your response to this question should be no more than 2500 words</p>	

Funding & Treasury Management Ability and Experience

Question	Description	Question Type
SQ 8.6 Parts 1 and 2	<p>PART 1:</p> <p>Minimum Funding Ability</p> <p>Please demonstrate your ability to raise an initial investment of at least £75 million.</p> <p>PART 2:</p> <p>Scored Funding & Treasury Management Ability and Experience</p> <p>The proposed scheme is expected to require an initial investment by the appointed provider in the region of £75 million to £85 million in order to finance the construction and fit out of new homes across the 12 site developments.</p> <p>The partner will also be expected to assist in the delivery of effective treasury management of finance and cash flows for the joint venture in achieving its goals.</p> <p>Please provide details of your experience, together with current capability and capacity to manage and raise finance to support the development programme.</p> <p>Your response should include examples of your organisation's track record over the last three years in directly funding (from your organisation's own resources) or raising and managing finance (including any working capital requirements) to deliver projects, relevant to the size of the types of contract which it is anticipated may be delivered via the proposed JV.</p> <p>Your response should evidence the level of finance your organisation has been able to raise for previous schemes and how treasury matters were managed effectively in the performance of those schemes.</p>	Attachment
Question	Description	
Assessment and response length	<p>This question is both a PASS/FAIL and a scored question.</p> <p>PART 1</p> <p>In order to pass, the bidder's response to this question must demonstrate an ability to provide/raise an initial investment of at least the amount set out in SQ 8.6 Part 1 above.</p> <p>PART 2</p> <p>Bidders which pass the Minimum Funding Ability test will then have their Funding & Treasury Management Ability and Experience response to SQ 8.6 Part 2 above scored.</p> <p>The responses to Part 2 will be assessed holistically to arrive at a score between 0–10 points.</p> <p>This question carries a weighting of 20%.</p> <p>The response to Part 2 should be no more than 1500 words</p>	

Social Value in Training and Skills Opportunities

Question	Description	Question Type
SQ 8.7	Please provide details of your experience in incorporating training and skills opportunities linked to the developments and its impact and benefits to the area, including how these opportunities add value and economic prosperity.	Attachment
Question	Description	
Assessment and response length	<p>The responses to this question will be assessed holistically to arrive at a score between 0–10 points.</p> <p>This question carries a weighting of 10%.</p> <p>The response to this question should be no more than 500 words.</p>	

Social Value in Development

Question	Description	Question Type
SQ 8.8	Please provide details of your experience in incorporating features and facilities with community benefits as part of a housing-led development and its impact and benefits to the area.	Attachment
Question	Description	
Assessment and response length	<p>The responses to this question will be assessed holistically to arrive at a score between 0–10 points.</p> <p>This question carries a weighting of 10%.</p> <p>The response to this question should be no more than 500 words.</p>	

Appendices

Question	Description	Question Type
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Appendices	If you need to submit any additional information to complete your response to the above questions, please include it here as part of a single, zipped attachment response. Please ensure each appendix is clearly marked to indicate the SQ question number	Attachment
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London Borough of Havering

**INVITATION TO PARTICIPATE IN COMPETITIVE
DIALOGUE (“ITPD”)**

Havering Estate Regeneration Partner Project

IMPORTANT NOTICES

This Invitation to Participate in Competitive Dialogue (ITPD) has been prepared by the London Borough of Havering (of the Town Hall, Main Road, Romford, RM1 3BD) ("**the Authority**") and is for use by those invited to bid for the Havering Estate Regeneration Partner Project, their professional advisers, and other parties essential to preparing the bid for the project and for no other purpose.

You are deemed to fully understand the process that the Authority is required to follow under relevant European and UK legislation, particularly in relation to public procurement rules.

Bidders' attention is drawn to the further notices set out in **Appendix 1 (Important Notices)** which form part of the conditions of participation in this procurement process.

1 INTRODUCTION

General

- 1.1 Thank you for submitting the Selection Questionnaires (SQ) in response to the call for competition advertisement placed in the Official Journal of the European Union with reference number 2017/S 094-185114.¹
- 1.2 Six bidders, including your organisation/consortium, have been invited to participate in Competitive Dialogue with the Authority. This Invitation to Participate in Competitive Dialogue document ("ITPD") provides further details of the proposal and process.
- 1.3 It should be noted that the return deadline for Bidders' final responses to the ITPD is **11/08/2017 at 13:00 hours** for the assessment to shortlist the final two to three Bidders to be invited to the next stage of the competitive dialogue process.
- 1.4 The six Bidders invited to enter Competitive Dialogue are:



[REDACTED]

Competitive Dialogue

- 1.5 This ITPD has been developed to set out the key steps in this procurement to achieve the selection of a provider to partner with the Authority to form a long term corporate joint venture property vehicle (on a 50:50 ownership basis) to secure investment and expertise to deliver the Authority's housing led regeneration strategy ("the Project").
- 1.6 The Authority will procure the Project using an approach similar to the competitive dialogue procedure (as described in Regulation 30 of the Public Contracts Regulations 2015 (as amended)), which provides the opportunity for a structured approach to procurement. The Authority reserves the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016.
- 1.7 The purpose of this ITPD is to provide the framework for the competitive dialogue process and to provide further information about the scheme.
- 1.8 The ITPD aims to:
 - provide information to Bidders on the Project and the opportunities available;
 - set out clearly the Authority's requirements;
 - provide information on the Authority's approach to the competitive dialogue procurement process;

¹

<http://ted.europa.eu/udl?uri=TED:NOTICE:185114-2017:TEXT:EN:HTML>

- set out the deliverables required from Bidders at the first stage of the procurement; and
 - set out the evaluation criteria that the Authority will use to assess Bidders' responses.
- 1.9 The key stages of the procurement are set out in the Indicative Project Timeframe below.
- 1.10 During the dialogue phase the Authority will have discussions with Bidders with the aim of identifying and defining the best solution to meet the Authority's requirements. Details of the overall timetable and submission deadlines, competitive dialogue meetings, programme and other key dates are outlined in **Section 3** below.
- 1.11 The first stage of the competitive dialogue is an invitation to Bidders to submit outline proposals as detailed in this document. The questions that Bidders are required to answer at the ITPD Submission stage are set out in **Appendix 2 (Quality Questions)** and **Appendix 4 (Financial Submissions)** to this document.
- 1.12 The evaluation criteria against which Bid responses will be assessed and the evaluation methodology applied is provided in **Section 4** below.
- 1.13 The outcome of the evaluation of the ITPD Submission will be the selection of solutions from two to three Bidders with whom the Authority will continue dialogue. At this point, the Authority will issue an Invitation to Continue Dialogue ("ITCD") that sets out clearly the defined set of final Bid deliverables. This phase of dialogue will continue until the Authority is satisfied that one or more of the final solutions proposed by Bidders is capable of meeting all of the Authority's requirements. At this point, the Authority will declare the dialogue to be concluded and issue an ISFT to Bidders.
- 1.14 Final Tenders should be based on the solution(s) presented and specified at the conclusion of the dialogue, contain all the elements required and necessary for the performance of the project and should meet all the Authority's requirements. **Final Tenders are expected to be final as there is limited opportunity to vary tenders after submission.** However, the Authority may request Bidders to clarify, specify or optimise their tender. Any activity which leads to changes to a Bid must not change the basic features and essential aspects of a Bid, the requirements of this ITPD or distort competition.
- 1.15 Following the submission of Final Tenders, the Authority expects to undertake a process to identify a Preferred Bidder that provides the most economically advantageous tender which the Authority is minded to appoint.
- 1.16 Prior to selection of a Preferred Bidder, the Authority will have to obtain approval from the Cabinet of the Council. On approval, a Preferred Bidder will be appointed and a Preferred Bidder letter issued inviting the Preferred Bidder to work with the Authority to finalise the contractual arrangements to deliver the Project.
- 1.17 Following appointment of a Preferred Bidder there is a further opportunity to negotiate to confirm commitments contained in the tender in order finalise terms provided, again, that there are no substantial changes to the tender, the requirements of the procurement process and that this does not risk distorting competition or causing discrimination.

- 1.18 The Authority reserves the right to vary the selection procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance.

2 NEEDS AND REQUIREMENTS FOR THE PROJECT

Overview

- 2.1 The Project involves delivering the following:

- 2.1.1 The Authority's housing led regeneration strategy. The initial programme is anticipated to involve 12 sites across the borough delivering in the region of 3000 new homes and the scheme will involve opportunities for development sales. The opportunity will focus on Authority owned sites throughout the borough (including but not limited to the initial 12 sites) and potentially other sites owned or acquired by the Authority (including through the Joint Venture) during the joint venture period. The Joint Venture will focus on delivering housing led development within the borough for the commercial private sale sector, shared ownership and affordable housing.
- 2.1.2 The housing led development of sites may also involve a degree of mixed-use development including, but not limited to office, commercial, leisure, retail, community and public realm space being delivered ancillary to the residential focus and as part of the overall complex.

The initial 12 sites are as follows:

The Initial 12 Sites		
Ref.	Site	Area
1	Waterloo Estate	Romford
2	Queen Street	Romford
3	Oldchurch Gardens	Romford
4	Serena, Solar and Sunrise	Hornchurch
5	Maygreen Crescent, Park Lane	Hornchurch
6	Dell Court	Hornchurch
7	Royal Jubilee Court	Gidea Park
8	Napier House and New Plymouth House	Rainham
9	Delderfield House	Romford/Cranham
10	Brunswick Court	Romford/Cranham
11	Chippenham Road, Farnham Road, Hildene Avenue	Harold Hill/Gidea Park
12	Delta TMO Estate	Harold Hill/Gidea Park

- 2.1.3 The priority sites are those which comprise the Sample Package Scheme of 4 sites (divided into 3 Developments) which will consist of:

Sample Package Scheme Sites		
Ref.	Site	Development
1	Waterloo Estate	Development 1

2	Queen Street	
3	Napier House and New Plymouth House	Development 2
4	Serena, Solar and Sunrise	Development 3

- 2.1.4 In connection with the delivery of these and other future housing schemes, the partner will be required to provide services including master planning; strategic development consultancy advice; environmental consultancy advice; technical and building services; architectural design; urban design and landscaping; physical construction and development; land assembly; possible refurbishment of assets and marketing and disposal of development assets.

- 2.2 The Project's key needs and requirements are set out in:

- 2.2.1 the Heads of Terms and the Contracts referred to in **Appendix 5 (Heads of Terms and Contracts)**;
2.2.2 The Memorandum of Information; and
2.2.3 all other documents on the portal should also be referred to in order to gain an overview of the Project's needs and requirements.

- 2.3 These documents are included in the Concession Documents available electronically through Capital e-sourcing
<https://www.capitalesourcing.com/web/login.shtml>

3 TIMEFRAME AND PROCESS

Indicative Project Timeframe

- 3.1 The table below sets out the key dates in the procurement process. At this stage, the timetable is subject to confirmation and the Authority reserves the right to amend this indicative timeframe as the project progresses.

Indicative Date	Stage
17.05.2017	Concession Notice dispatched to OJEU Notice
13.06.2017: 13:00 hours	Deadline for the SQ application returns
13.06.2017 – 28.06.2017	Evaluation of SQ applications
30.06.2017	Issue of the "Invitation to Participate in Competitive Dialogue" ("ITPD") to four to six bidders and opening of competitive dialogue and notification to unsuccessful SQ applicants.
10.07.2017 – 02.08.2017	Initial Dialogue Meeting dates with the six shortlisted bidders

20.07.2017	Deadline for ITPD clarification questions from shortlisted bidders
11.08.2017 13:00 hours	Deadline for return of ITPD Responses.
14.08.2017 – 11.09.2017	Clarification and evaluation of ITPD Response.
13.09.2017	Issue of Invitation to Continue Dialogue (“ITCD”) to two to three shortlisted bidders and notification to unsuccessful bidders.
18.09.2017 – 30.10.2017	Period for dialogue meetings and negotiations with final two to three bidders
30.10.2017	End of Competitive Dialogue stage and issue of Invitation to Submit Final Tenders (“ISFT”).
30.10.2017 – 04.12.2017	Period for remaining bidders to finalise tenders.
04.12.2017	Deadline for return of Final Tenders.
04.12.2017 – 18.12.2017	Clarifications and evaluation of Final Tenders.
18.12.2017 – 15.01.2018	Authority internal approval process for Preferred Bidder appointment. Period for confirming commitments of the Preferred Bidder’s Final Tender and finalising the terms of the contract and the Authority’s internal approvals for reaching a contract award decision.
15.01.2017	Announcement of the Authority’s final contract award decision in respect of the successful Bidder. Issue of contract award notifications and debriefing information to unsuccessful participants commencing the 10-day standstill period.
26.01.2018	Expiry of standstill period.
29.01.2018	Contract close with successful Bidder.
<i>To be confirmed</i>	Appointed provider to start on the property development

Initial Dialogue Meetings

- 3.2 The Authority will be holding initial dialogue meetings with shortlisted Bidders. Each Bidder will be invited and required to attend.
- 3.3 The following provisional dates have been set aside for initial dialogue meetings: July 10th, 11th 25th & 26th.
- 3.4 The purpose of these meetings is to establish a meaningful dialogue with Bidders to develop and improve upon their solutions. This time is available to discuss Bidders' initial thoughts on successfully achieving the requirements of the Project and to ask questions in order to develop an understanding of the Authority's requirements and key commercial principles.
- 3.5 The Authority reserves the right to change the location, times and dates of these meetings.
- 3.6 Additional meetings may be considered appropriate by the Authority for the first stage of dialogue. If so, these will be arranged by the Authority with due notice and run to an agreed agenda.
- 3.7 The meetings will be held commercially in confidence and Bidders are directed to the information in **Appendix 1 (Important Notices)** below in relation to the obligations of the Authority under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.
- 3.8 The Authority will maintain its own record of meetings, which, insofar as specific to a particular Bidder, would not be circulated to the other Bidders. Bidders should note that issues raised and/or responses given which are generic may be communicated to all Bidders, in accordance with equal treatment principles.
- 3.9 Bidders should make arrangements for maintenance of their own record of meetings.

Access to Sites

- 3.10 Sites are available for inspection. Prior to any visits inspections taking place, the Bidder should contact the Authority to advise of the time and date the visit will take place. The Authority will advise the bidder of any restrictions upon request.

Concession Documents

- 3.11 The Concession Documents consist of:
 - 3.11.1 The Concession Notice
 - 3.11.2 The Selection Questionnaire
 - 3.11.3 The Memorandum of Information
 - 3.11.4 The Heads of Terms
 - 3.11.5 The Invitation to Participate in Dialogue
 - 3.11.6 LBH ITPD financial proforma
 - 3.11.7 Programme and meeting dates
 - 3.11.8 Site specific briefs
 - a. Napier and New Plymouth site brief
 - b. Solar Serena Sunrise site brief
 - c. Waterloo Estate and Queen Street site brief

- 3.11.9 Red line plans
- a. Napier and New Plymouth redline plan
 - b. Serena Solar Sunrise redline plan
 - c. Waterloo redline plan

3.12 These documents are included in the Concession Documents available electronically through Capital e-sourcing <https://www.capitalesourcing.com/web/login.shtml>

ITPD Submission

3.13 Bidders should present their responses as per the instructions below.

- All responses should be in English, text submitted in A4, with a font size of no less than 10 and any financial references should be in Pounds Sterling.
- Completed responses should be signed by a partner or director of the Bidder (and, in the case of a Consortium, by a partner or director of each member).
- Bidders are required to submit completed responses in electronic format only and submitted via <https://www.capitalesourcing.com/web/login.shtml>
- The Authority reserves the right, at its discretion, to reject Bids delivered after the date and time specified. Please see **Appendix 1 (Important Notices)**.
- The Authority reserves the right, at its discretion, to request clarifications in writing or further relevant information from any bidder after the submission of responses.

Ongoing Questions

- 3.14 Any queries arising from this ITPD and the Concession Documents provided which may have a bearing on the ITPD submissions to be made by Bidders should be raised.
- 3.15 All queries in relation to the ITPD stage of this procurement must be made via the clarifications process through <https://www.capitalesourcing.com/web/login.shtml> by no later than 20.07.2017. The Authority reserves the right not to respond to clarifications in respect of the ITPD stage submitted after this period.
- 3.16 Where the Authority considers that questions are material to the procurement process and the fullest understanding of its objectives, these questions and their subsequent replies will be disseminated to all Bidders. The Authority will keep confidential all information relating to its dialogue in relation to Bidders' proposals and will not share this information with any other Bidder.
- 3.17 Bidders should note, in relation to all responses to questions that the Authority and its advisers offer no guarantee that such information in response to questions will be made available at this stage and are not warranting the accuracy of any responses.

Confidentiality and Freedom of Information

- 3.18 The Authority acknowledges the need during the competitive dialogue to treat Bidder's solutions confidentially. If during the process any questions asked of or information provided to the Authority is considered by the Bidder to be confidential, the request must be clearly marked "in confidence – not to be circulated to other bidders" and Bidders must set out the reason(s) for the request for non-disclosure to other Bidders.
- 3.19 The Authority will consider such requests and will act reasonably as regards the protection of commercially sensitive information relating to the Bidders but will have sole discretion as to such disclosure, subject to complying with the Authority's duties under the Freedom of Information Act (2000) and the Environmental Information Regulations (2004).

Return of Certificates

- 3.20 The Authority requires Bidders to make certain undertakings if they wish to remain in the competition. These undertakings include signing the following documents, which must be completed and submitted by uploading electronically via <https://www.capitalesourcing.com/web/login.shtml> at the final ITPD Submission and again at the final tender stage. Copies of the certificates are provided in **Appendix 7**
- Certificate of Non-Canvassing
 - Certificate of Non-Collusive Tendering

4 EVALUATION

This section sets out the evaluation criteria and selection process against which the ITPD submission and all subsequent stages of the competitive dialogue, including Final Tenders will be assessed.

Bidders are required to respond to each of the questions set out in **Appendix 2 (Quality Questions)** and complete in full the requirements in **Appendix 4 (Financial Submission)** for the ITPD Submission.

4.1 Compliance

- 4.1.1 Prior to carrying out the detailed scoring of Bids, an assessment of the Bidders' responses to the Bid deliverables at each stage of the procurement will be made to ensure that sufficient information at the required standard has been provided as requested. Bids which are substantially incomplete or which are non-compliant with the requirements set out in this ITPD may be rejected.
- 4.1.2 The Authority reserves the right to call for information from Bidders to amplify and clarify their Bid responses.

4.2 Evaluation Methodology

- 4.2.1 Following compliance checks, each Bid will be evaluated and scored against the evaluation criteria and weightings set out in this Section below and Bidders ranked in line with their scores. The Authority proposes to invite the Bidders with the two highest scoring compliant Bids to participate in the ITCD stage of competitive dialogue procedure but in the event that the third ranked Bidder's score is within 5 percentage points of the second ranked Bidder's score then up to three Bidders will be taken through to the next stage.

4.3 Evaluation Criteria and Weightings

- 4.3.1 The evaluation criteria and weightings that will be applied by the Authority in each stage of the competitive dialogue procedure are shown in Table 1 below.
- 4.3.2 The detailed evaluation criteria (and sub-criteria) and weightings that will be applied by the Authority when evaluating the ITPD Submissions are shown in Table 2 below.
- 4.3.3 The Authority reserves the right to update and refine the quality questions (**Appendix 2**) and sub-criteria as well as the Financial evaluation approach, methodology and sub-criteria (**Appendix 3 and Appendix 4**) for the ITCD and ISFT stage of the Competitive Dialogue process.
- 4.3.4 The detailed evaluation criteria (and sub-criteria) and weightings that will be applied by the Authority when evaluating the Final Tenders will be initially set out in the ITCD and confirmed in the ISFT document issued to Bidders invited to respond to the relevant stages of the competition process.

4.4 Scoring

4.4.1 In this competitive dialogue competition process, the Bids will be assessed on the basis of the most economically advantageous tender.

4.4.2 The scoring of Bids will be based on a detailed analysis of the responses in for criteria in accordance with the methodology below.

Quality Criteria

4.4.3 In relation to the Quality criteria (and sub-criteria) each question will be scored in application of the following scoring scale:

SCORING SCALE	
Score	Commentary
0	Very weak or no answer
1	Weak – well below expectations
2	Poor - well below expectations
3	Poor - below expectations
4	Satisfactory but slightly below expectations
5	Meets expectations
6	Slightly exceeds expectations
7	Good - well above expectations
8	Very good
9	Outstanding
10	Exceptional

4.4.4 In applying the scoring scale, each Bid will be evaluated according to its quality and deliverability. The term 'quality' in this context refers to performance and fitness for purpose of the proposal and therefore covers any aspect of a submission that affects the performance of the contract. 'Deliverability' refers to the likelihood that all aspects of a particular submission could in fact be delivered by the Bidder concerned.

Financial Criteria

4.4.5 The financial criteria will be scored by applying the methodology set out in **Appendix 3 (Financial Criteria Evaluation Methodology)** in respect

of the financial proposals to responses provided by Bidders in their Financial Submissions in the format set out in **Appendix 4 (Financial Submissions)**.

Table 1: Evaluation Criteria and Weightings for the various Competitive Dialogue Stages

No.	Criteria	Weighting for ITPD Submissions Evaluation	Weighting for Final Tender Evaluation (ISFT Stage)	Additional Indicative Information about Final Tender (ISFT Stage) Submission Requirements
1	Partnering	20%	20%	The questions and requirements under the criteria are expected to the same (or broadly similar) for the Final Tender Evaluation.
2	Construction Programme Delivery	10%	10%	The questions and requirements under the criteria are expected to the same (or broadly similar) for the Final Tender Evaluation.
3	Market Positioning	10%	10%	The questions and requirements under the criteria are expected to the same (or broadly similar) for the Final Tender Evaluation.
4	Sample Package Scheme Development Proposals	20%	20%	<p>The questions and requirements under the criteria for the Final Tender Evaluation will require more detailed delivery proposals which will additionally include more detailed design requirements and commentary; responses to land assembly issues to relevant sites; proposals in respect of minimising and managing disruption during construction; and more detailed programme proposal requirements.</p> <p>The more detailed questions and requirements for Final Tenders will be set out in the ITCD and provided to Bidders shortlisted to participate in the next stage of the competitive dialogue competition.</p>
5	Additional Sites	2.5%	2.5%	The questions and requirements under the criteria are expected to the same (or broadly similar) for the Final Tender Evaluation.
6	Social Value	7.5 %	7.5 %	The questions and requirements under the criteria are expected to the same (or broadly similar) for the Final Tender Evaluation.
7	Legal & Commercial	Pass/Fail	10%	Bidders shortlisted to participate in the ITCD stage will be provided with the suite of contract documents. Bidders will be invited to negotiate contractual terms with the Authority during the ITCD stage and submit mark-ups as part of Final Tender submissions. The effect of the contract-mark-ups will be assessed and scored as part of the Final Tender evaluation.
8	Financial Proposals	30%	20%	The Financial Proposal will be an assessment of the Form of Tender put forward by the Bidder in accordance with the requirements of Appendix 4.

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Table 2: Detailed Criteria and Weightings for ITPD Submissions Evaluation

No.	Criteria	Criteria Weighting	Level 1 Sub-Criteria	Evaluation	Level 1 Sub-Criteria Weighting
1	Partnering	20%	Q.1.1 Joint Venture Leadership Management and Partnership Working	Scored 0-10	10%
			Q.1.2 Joint Venture Resourcing	Scored 0-10	10%
2	Construction Programme Delivery	10%	Q.2.1 Supply-Chain Selection, Co-ordination and Management	Scored 0-10	2.5%
			Q.2.2 Construction Project Management	Scored 0-10	2.5%
			Q.2.3 Construction Health and Safety Approach and Measures	Scored 0-10	2.5%
			Q.2.4 Minimising Construction Energy, Water and Waste	Scored 0-10	2.5%
3	Market Positioning	10%	Q.3.1 Market Positioning	Scored 0-10	10%
4	Sample Package Scheme Development Proposals	20%	Q.4.1 Development 1 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.2 Development 2 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.3 Development 3 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.4 Sample Package Scheme Development Proposals - Stakeholder Engagement and Communication	Scored 0-10	2.5%
			Q.4.5 Sample Package Scheme Development Proposals – Construction Programme Plans	Scored 0-10	2.5%
5	Additional Sites	2.5%	Q.5.1 Additional sites	Scored 0-10	2.5%
6	Social Value	7.5%	Q.6.1 Social Value Proposal	Scored 0-10	7.5%
7	Legal & Commercial	-	Q.7.1 Acceptance of Heads of Terms Principles	Pass/Fail	-
8	Financial Proposals	30%	Q.8.1 Financial Model and Commentary (see Appendix 3 and Appendix 4)	Scored (see Appendix 3 and 4)	30%

APPENDIX 1

IMPORTANT NOTICES

1 CONFIDENTIALITY

- 1.1 The procurement process may involve the Authority providing Confidential Information to the Bidders. The Bidders shall at all times:
 - 1.1.1 treat all Confidential Information as confidential;
 - 1.1.2 not disclose, copy, reproduce, distribute or pass the Confidential Information to any other person at any time;
 - 1.1.3 not use the Confidential Information for any purpose other than for the purposes of making (or deciding whether to make) a Bid in relation to the Project ("Bid"); and
 - 1.1.4 comply with the provisions of paragraph 6 below (which contains restrictions on publicity activity within any section of the media or similar)
- 1.2 Bidders shall procure that, if it is a Consortium, each Consortium Member who receives any of the Information is made aware of, and complies with, the confidentiality obligations in this section.
- 1.3 Bidders may disclose, distribute or pass the Confidential Information to another person (including, but not limited to, for example, employees, consultants, subcontractors or advisers, the Bidder's insurers or the Bidder's funders) if either:
 - 1.3.1 this is done for the sole purpose of enabling a Bid to be made and the person receiving the Confidential Information undertakes in writing to keep the Information confidential on the same terms as set out in this ITPD; or
 - 1.3.2 the Bidder obtains the prior written consent of the Authority in relation to such disclosure, distribution or passing of the Information
- 1.4 The Authority may disclose detailed information relating to Bids to the Authority's members, directors, officers, employees, agents or advisers and they may make the key Bid documents available for private inspection by the Authority's members, directors, officers, employees, agents or advisers.
- 1.5 The Authority also reserves the right to disseminate Information that is materially relevant to all Bidders (even in the event that the Information has only been requested by one Bidder), subject to the duty to protect any Bidder's commercial confidence in its Bid. It is the responsibility of the Bidder to avoid such disclosure by stating in writing to the Authority that the request is clearly marked "Commercial in confidence - not to be circulated to other Bidders" and the Bidder must set out a proper and relevant reason or reasons for the request for non-disclosure to other Bidders.
- 1.6 The Authority reserves the right to:

- 1.6.1 provide general information about the successful SQ submissions to unsuccessful applicants in order to provide debriefing information in accordance with principles under EU procurement rules;
 - 1.6.2 provide information about successful Bid(s) to unsuccessful bidders as part of debriefing obligations under Regulation 40 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful Bid(s));
 - 1.6.3 provide information about the winning tender to unsuccessful bidders as part of debriefing obligations during the standstill period in accordance with Regulation 47 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful tender);
 - 1.6.4 publish information in the Official Journal of the European Union (OJEU) in accordance with Regulation 32 Concession Contracts Regulations 2016 concerning any contract awarded (including but not limited to the value of any contract awarded).
- 1.7 The Authority will act reasonably as regards the protection of commercially sensitive information relating to the Bidder, subject to the Authority's duties under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 (see below).

2 FREEDOM OF INFORMATION ACT 2000 AND ENVIRONMENTAL INFORMATION REGULATIONS 2004

- 2.1 The Authority is subject to the requirements of the Freedom of Information Act 2000 (the "Act") and the Environmental Information Regulations 2004 ("EIR"). Accordingly, all information submitted to it may need to be disclosed by the Authority in response to a request under either the Act or the EIR (a "Request").
- 2.2 In making any submission during this procurement process, each Bidder acknowledges and accepts that information contained therein may be disclosed by the Authority under the Act or EIR without consulting the Bidder, although the Authority will endeavour to consult with the Bidder and consider its views before doing so.
- 2.3 If Bidders consider that any information made available to the Authority is commercially sensitive, they should identify it and explain (in broad terms) what harm may result from disclosure, and the time period applicable to that sensitivity. Even where information made available to the Authority is marked commercially sensitive, the Authority shall be entitled (acting in its sole discretion) to disclose it pursuant to a Request. Please also note that information marked "confidential" or equivalent by Bidders does not bind the Authority to any duty of confidence by virtue of that marking.
- 2.4 Exemptions to disclosure pursuant to a Request do exist and the Authority reserves the right to determine (acting in its sole discretion) whether there is any available exemption and whether to disclose any information made available to it by Bidders pursuant to any Request. If you are unsure as to the Authority's obligations under

the Act or EIR regarding the disclosure of sensitive information please seek independent legal advice.

3 CONFLICTS

- 3.1 The Authority requires all actual or potential conflicts of interest to be declared and resolved to the Authority's satisfaction prior to the delivery of a Bidder's ITPD Bid submission. Failure to declare such conflicts (including new conflicts which may arise during the competition) and/or failure to address such conflicts to the reasonable satisfaction of the Authority could result in a Bidder being disqualified at the sole discretion of the Authority.

4 CANVASSING AND NON-COLLUSION

- 4.1 The Authority reserves the right to disqualify (without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability which such conduct by a Bidder or Consortium Member (as the case maybe) may attract) any Bidder or Consortium Member who (or its directors or any other person who has powers of representation, decision or control of the Bidder or Consortium Member), in connection with this ITPD:
- 4.1.1 offers any inducement, fee or reward to any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ITPD;
 - 4.1.2 does anything which would constitute the offence of within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption;
 - 4.1.3 does anything which would constitute the offence of bribery, where the offence relates to active corruption;
 - 4.1.4 does anything which would constitute bribery within the meaning of section 1 or 6 of the Bribery Act 2010;
 - 4.1.5 canvasses any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ITPD;
 - 4.1.6 contacts any officer of the Authority prior to financial close about any aspect of the ITPD in a manner not permitted by this ITPD (including without limitation contact for the purposes of discussing the possible transfer to the employment of the Bidder of such officer);
 - 4.1.7 fixes or adjusts the amount of his Bid by or in accordance with any agreement or arrangement with any other Bidder or Consortium Member of any other Bidder (other than its own Consortium Members or supply chain);
 - 4.1.8 enters into any agreement or arrangement with any other Bidder (or Consortium Member of any other Bidder) to the effect that it shall refrain from making a Bid or as to the amount of any Bid to be submitted;
 - 4.1.9 causes or induces any person to enter such agreement as is mentioned in either paragraph 8.1.7 or 8.1.8 or to inform the Bidder (or a Consortium

Member of the Bidder) of the amount or approximate amount of any rival Bid;

- 4.1.10 canvasses any person connected with this ITPD who is not one of its own Consortium Members or one of its own team;
 - 4.1.11 offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Bid (or proposed Bid) any act or omission;
 - 4.1.12 communicates to any person other than the Authority the amount or approximate amount of his proposed Bid (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a Bid);
 - 4.1.13 enters into any agreement with any other Bidder (or a Consortium Member of any other Bidder) aimed at distorting the outcome of the competition;
 - 4.1.14 undertakes to unduly influence the decision-making process of the Authority; or
 - 4.1.15 undertakes to obtain confidential information that could confer upon an undue advantage in the award of the contract.
- 4.2 Bidders will be required to complete and submit certificates of non-collusion and non-canvassing at the ITPD Bid submission stage and also the Final Tender submission stage.

5 INTELLECTUAL PROPERTY

- 5.1 This ITPD (and all Procurement Documents) may not be reproduced, copied or stored in any medium without the prior written consent of the Authority except in relation to the preparation of a Bid.
- 5.2 All documentation supplied by the Authority in relation to this ITPD (and all Procurement Documents) is and shall remain the property of the Authority and must be returned on demand, without any copies being retained. Bidders are not authorised to copy, reproduce, or distribute the information in the Procurement Documents at any time except as is necessary to produce a Bid.

6 PUBLICITY

- 6.1 Bidders shall not undertake (or permit to be undertaken) at any time, whether at this stage or after financial close, any publicity activity with any section of the media in relation to the Project other than with the prior written agreement of the Authority. Such agreement shall extend to the content of any publicity. In this paragraph the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

7 LIABILITY OF THE AUTHORITY AND ITS ADVISERS

- 7.1 In the Concession Documents, "the Authority" includes all or any of the Authority and its members, officers and Advisers, and the directors, officers, members, partners, employees, other staff, agents or advisers of any such body or person.
- 7.2 The Concession Documents have been prepared by and on behalf of the Authority for the purposes of:
- 7.2.1 providing an application procedure for individuals or organisations interested in tendering for the Project; and
 - 7.2.2 to assist persons interested in tendering for the Project role in making their own evaluation of the potential opportunity
- 7.3 The Concession Documents are intended only to provide a background explanation of the Project and are not intended to form the basis of any decision on whether to enter into any contractual relationship with the Authority. The Concession Documents do not purport to have been independently verified. The Concession Documents should not be relied on as an investment recommendation of the Project made by the Authority to the potential contractor.
- 7.4 The Authority and its Advisers:
- 7.4.1 do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the Concession Documents provided. Any persons considering entering into a contractual relationship with the Authority should make their own investigations and independent assessment of the Authority and its requirements for this scheme and should seek their own professional technical, financial and legal advice; and
 - 7.4.2 exclude all liability for any loss or damage (whether caused by contract, tort (including negligence), misrepresentation or otherwise) (other than in respect of fraud or fraudulent misrepresentation or personal injury or death) in relation to the Concession Documents and/or arising as a result of reliance on the information in the Concession Documents or any subsequent information made available to Bidders. Any and all liability is expressly excluded to the maximum extent permissible by law.
- 7.5 Only the express terms of any written contract relating to the Project (as and when it is executed) shall have any contractual effect in connection with this Project.
- 7.6 The publication of the Concession Documents in no way commits the Authority to award any contract to deliver the Project. The Authority reserves the right to vary or change all or any part of the procedures for the procurement process at any time or not to proceed with the procurement.
- 7.7 For the purposes of the procurement, all Advisers referred to in this document are acting exclusively as the advisers to the Authority and will not be responsible or owe any duty of care to anyone other than the Authority.

8 PROVISION OF FURTHER INFORMATION TO BIDDERS PRIOR TO MAKING A BID

- 8.1 The Authority is relying on the information provided by Bidders during the procurement process (including but not limited to Bids and SQ submissions). If, at any time during this procurement process there are any material changes to that

information, the Bidder must advise the Authority as soon as practicable (even if this is prior to the submission of a Bid). Upon receipt of such information, the Authority shall be entitled to revisit the selection and/or evaluation of the Bidder and exclude the Bidder if necessary, as a result of that process.

9 BIDDING PROCESS AND COSTS

9.1 The Authority reserves the right at any time:

- 9.1.1 to require a Bidder and/or its Consortium Members to clarify their Bid(s) in writing and/or provide additional information (failure to respond adequately may result in a Bidder not being successful); and/or
- 9.1.2 to reduce the number of Bidders in the procurement process
- 9.1.3 to amend the terms and conditions of the procurement process;
- 9.1.4 not to consider Bids other than those specified;
- 9.1.5 to negotiate with one or more of the Bidders during the competitive dialogue to obtain arrangements which best meet its requirements;
- 9.1.6 to issue amendments or modifications to the ITPD;
- 9.1.7 to alter the timetable to contract award;
- 9.1.8 to cancel or withdraw from the tender process at any stage; and
- 9.1.9 not to award a contract.

9.2 All Bidders are solely responsible for their costs and expenses incurred in connection with the preparation and submission of Bids and participation in this and all future stages of this procurement. Under no circumstances will the Authority be liable for any costs or expenses borne by Bidders or any of its supply chain, partners or advisers in this procurement process.

10 THE AUTHORITY'S RIGHT TO REJECT BIDS

10.1 The Authority reserves the right to reject or disqualify a Bidder and/or any of its Consortium Members at any time during the procurement procedure where:

- 10.1.1 a Bid is submitted late, is completed incorrectly, is materially incomplete or fails to meet the Authority's submission requirements which have been notified to the relevant Bidder;
- 10.1.2 the Bidder and/or any of its Consortium Members are unable to satisfy the terms of Regulation 38(8) to 38(25) of the Concession Contracts Regulations 2016 at any stage during the tender process;
- 10.1.3 the Bidder and/or its Consortium Members are guilty of material misrepresentation in relation to its application and/or the process (including but not limited to the SQ selection stage of the competition);
- 10.1.4 the Bidder and/or its Consortium Members contravene any of the terms and conditions of this ITPD; or

- 10.1.5 there is a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the Bidder and/or its Consortium Members.
- 10.2 The disqualification of a Bidder will not prejudice any other civil remedy available to the Authority and will not prejudice any criminal liability that such conduct by a Bidder may attract.
- 10.3 The Authority reserves the right to require Bidders at any moment during the procurement procedure to submit all or any of the supporting documents (or to supplement or clarify certificates received) where it is necessary to ensure the proper conduct of the procurement procedure for the purposes of:
 - 10.3.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38(25) of the Concession Contracts Regulations 2016; and/or
 - 10.3.2 establishing whether the Bidder meets (or continues to meet) the relevant SQ selection criteria relating to economic and financial standing; and/or technical and professional ability; and/or
 - 10.3.3 establishing whether the Bidder fulfils (or continues to fulfil) the rules and criteria for reducing the number of Bidders being invited to the Competitive Dialogue tender stages of the competition.
- 10.4 Furthermore, before awarding the contract, the Authority reserves the right to require the Preferred Bidder to submit up-to-date supporting documents (or to supplement or clarify certificates received) for the purposes of:
 - 10.4.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38 (25) of the Concession Contracts Regulations 2016; and/or
 - 10.4.2 establishing the continued fulfilment of the SQ stage selection criteria and requirements (including where relevant the continued possession or attainment of quality assurance standards and environmental management standards (or evidence of their equivalents)).

11 BIDDER CHANGES TO CONSORTIUM MEMBERSHIP

- 11.1 The Consortium Members of any Bidder and the principal relationships between Consortium Members may not be changed in relation to this procurement process unless the Authority's prior consent has been given, and subject to:
 - 11.1.1 any replacement Consortium Member being satisfactorily pre-qualified by the Authority; and
 - 11.1.2 any other condition which the Authority may specify having been met.
- 11.2 The Authority reserves the right, at its absolute discretion, to refuse to allow any change in the Consortium Members of any Bidder and/or the principle relationships between Consortium Members.
- 11.3 The Authority reserves the right, at its absolute discretion, not to consider any Bid where there is a change in the Consortium Members of any Bidder and/or the principal relationships between Consortium Members.

12 GOVERNING LAW

- 12.1 All negotiations will be conducted, and all documents and Bids will be prepared, in the English language. The negotiations and all subsequent contracts negotiated will be subject to English law and the exclusive jurisdiction of the English courts.

13 ACCEPTANCE OF BIDS

- 13.1 Bidders are reminded that no offer or Bid is deemed accepted until the relevant contractual documents have been duly signed on behalf of the Authority, the successful Bidder and all other relevant parties and declared unconditional. No dialogue or communication with the Authority, whether prior to or after the commencement of the ITPD stage, up to and including any notification of the Preferred Bidder award decision commencing the standstill period, shall imply acceptance of any offer or constitute an indication that the Bidder will be awarded the contract.
- 13.2 Please note that only the express terms of any written contract which is finally agreed between the Authority and the successful Bidder and which is duly declared unconditional shall have any contractual effect.

APPENDIX 2

QUALITY AND FINANCIAL QUESTIONS BIDDERS ARE REQUIRED TO ANSWER AT THE ITPD SUBMISSION STAGE

1. PARTNERING

Criteria 1 – Partnering
Q.1.1 – Joint Venture Leadership Management and Partnership Working (Scored 0-10)
<p>Clear accountability and key personnel availability are key criteria for a successful partnership working.</p> <p>Please outline your leadership and management structure including proposed JV Board Directors and the senior management team operating the JV.</p> <p>The key points of contact, and roles and responsibilities for individuals proposed (including an Organogram and CVs of key personnel setting out their relevant experience) should be included as part of your response.</p> <p>The Authority is seeking a JV partner that will deal with issues in a proactive and responsive manner with a single point of contact for operational delivery and accountability. Should issues arise during the joint venture please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p><i>CVs and an Organogram can be appended and will not be counted towards the word limit. CVs should be no longer than 1 page A4 per person. Your response to this question should be no more than 1500 words.</i></p>

Criteria 1 – Partnering
Q.1.2 – Joint Venture Resourcing (Scored 0-10)
<p>The JV staffing and resource plan should be submitted to set out the staffing and resourcing to be provided by the Partner; resource that would have to be externally sourced through the Partner's supply chain; as well as any resource that the Authority would be expected to provide towards achieving the optimal resourcing structure. This may involve both specific resources to be put in place as well as resourcing methodology and approach to secure support to meet the needs of the JV.</p> <p>The resource plan for the JV should seek to demonstrate that the Partner has a proposal with robust capacity, competency and management structures to deliver the range of services and objectives as defined below whilst being balanced with efficiency and adaptability in meeting demand.</p> <p>The resource plan should address the following range of services and objectives:</p> <ul style="list-style-type: none">• design• planning• marketing sales & sales• supply-chain procurement• development and construction management function• finance and treasury management <p><i>Your response to this question should be no more than 1500 words.</i></p>

2. CONSTRUCTION PROGRAMME DELIVERY

Criteria 2 – Construction Programme Delivery
Q.2.1 – Supply-Chain Selection, Co-ordination and Management (Scored 0-10)
<p>The partnership will involve delivering construction at multiple sites over the duration of the joint venture.</p> <p>Please provide details of how you will appoint, manage and co-ordinate the construction supply-chain to deliver development across the sites that will demonstrate:</p> <ul style="list-style-type: none"> • Processes for effective needs assessment and planning of supply-chain requirements • High quality standards in the contractors and suppliers appointed for site developments and across the development programme • Efficiencies in your procurement approach to deliver initial and ongoing value for money for each site development and across the development programme • Effective monitoring, reporting and management of supply-chain performance. Cost-control and quality assurance • Rigorous inspection regimes, sub-contractor induction, monitoring and vetting, the supply chain's ability to deliver resilience and contingency measures. • Processes in place to ensure supply-chain resilience and contingency measures • Communications, logistics and management processes to be able to effectively co-ordinate the supply-chain to deliver the site programmes to timetable. <p><i>Your response to this question should be no more than 1000 words.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.2 – Construction Project Management (Scored 0-10)
<p>The construction phases of site development will require the Partner to provide effective construction project management. This should demonstrate day to day accountability for on-site process for scheme progress and managing project risks.</p> <p>Please outline your processes and procedures that your day-to-day project manager will put in place to keep the Authority informed on a regular basis.</p> <p>Should issues arise during the construction stages please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p>Your response provided should seek to demonstrate:</p> <ul style="list-style-type: none"> • proactive approach to managing delivery and issues arising • manage day to day operational delivery effectively • reporting systems and client engagement mechanisms you propose to adopt to ensure that the Authority is made aware at the earliest opportunity of relevant issues or problems affecting programme, cost or quality <p><i>Your response to this question should be no more than 1000 words.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.3 Construction Health and Safety Approach and Measures (Scored 0-10)
<p>Please provide details of the approach and measures you will implement to ensure effective health and safety measures are put in place for the protection of contractor staff and the public during construction.</p> <p>Your response should seek to demonstrate:</p> <ul style="list-style-type: none"> • your approach to contingency advance planning to prepare for health and safety hazards, incidents and emergencies which may occur on site • how you assess and identify for each site health and safety risks (and possible emerging risk on an on-going basis) in operating in the site and resource appropriate measures accordingly; • Your communications plan in respect of emerging or actual health and safety incidents which enables your organisation to respond promptly to the health and safety issues; mobilise and co-ordinate contingencies measures; and to keep the Authority informed. • Your strategy and methodology in dealing with arising incidents on site in order to ensure health and safety incidents do not impact on the overall project timescales. <p><i>Your response to this question should be no more than 1000 words.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.4 Minimising Construction Energy, Water and Waste (Scored 0-10)
<p>Please provide details of your approach and measures that you will implement to minimise the amount of energy, water and waste produced in delivering the programme of construction under the joint venture. Your response should describe measures in relation to performing construction services for the Authority as well as materials used during construction.</p> <p><i>Your response to this question should be no more than 1000 words.</i></p>

3. MARKET POSITIONING

Criteria 3 – Market Positioning
Q.3.1 –Market Positioning (Scored 0-10)
<p>Please provide your approach to Sales & Marketing across the programme of sites. Your response should include details of:</p> <ul style="list-style-type: none">• Your approach and methodology for assessing demand for types of homes in each area• Examples of specific design approaches and place-making interventions you consider appropriate for inclusion in these development sites• Your analysis of growth / value uplift opportunities across the 12 sites• How you will co-ordinate with other advisors and intermediaries to support and facilitate the transfer of assets• How you will maximise value for the sale of developed assets• The marketing you propose to carry out for the development to secure potential purchasers• The resourcing you propose to deploy to deliver that plan• Your projected rate of sale and reasons supporting those projections• Your strategy for maximising value from sales and reasons supporting the effectiveness of that approach <p><i>Your response to this question should be no more than 1500 words.</i></p>

4. SAMPLE PACKAGE SCHEME DEVELOPMENT PROPOSALS

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.1 Development 1 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 1 (comprising of the Waterloo Estate site and the Queen Street site) to include:</p> <ol style="list-style-type: none">1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development2. Diagrams, plans and images to illustrate:<ul style="list-style-type: none">• Overall approach to site layout• Access and connectivity• Parking• Landscape / Public realm• Built form• Massing and height• Key views• Precedent images for elevational treatments (representative of your approach to this site)3. Commentary on residential mix, specification, target market4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix5. Planning opportunities and constraints6. Summary accommodation schedule with tenure, building types, gross and net residential areas7. Plan to increase local biodiversity with planting and wildlife areas in developing the sites. <p><i>Your response to this question should be no more than 15 pages in font Arial size 12. Diagrams and Illustrations will not be counted as part of the page limit.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.2 Development 2 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 2 (comprising of the Napier House and New Plymouth House site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix 5. Planning opportunities and constraints 6. Summary accommodation schedule with tenure, building types, gross and net residential areas 7. Plan to increase local biodiversity with planting and wildlife areas in developing the site. <p><i>Your response to this question should be no more than 15 pages in font Arial size 12. Diagrams and Illustrations will not be counted as part of the page limit.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.3 Development 3 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 3 (comprising of the Serena, Solar and Sunrise site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including

quantum and tenure mix

5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the site.

Please note that the entirety of this site will be retirement accommodation.

Your response to this question should be no more than 15 pages in font Arial size 12. Diagrams and Illustrations will not be counted as part of the page limit.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.4 Stakeholder Engagement and Communication (Scored 0-10)

Please provide details of the stakeholder engagement and consultation and communications plan you intend to put in place in relation to developing the Sample Package Scheme Development Proposals. Your response should provide a timetable and resourcing plan to carry out the consultation and programme of communications.

The proposals should set out:

- an effective plan to identify relevant Stakeholders in relation to the 3 Developments of the Sample Package Scheme and schedule accessible consultation opportunities for them to participate in
- the information that the consultation process would seek to identify relevant to the 3 Developments of the Sample Package Scheme and the reasons it is important for the successful delivery of the scheme
- how the consultation information will be collated, provided and presented to the Authority
- how you would work with the authority to address issues anticipated to result from the consultation exercise
- the communications programmes and events that would be deployed during and on completion of each and all of the 3 Developments of the Sample Package Scheme development to promote projects to Stakeholders and the community.

Your response to this question should be no more than 1500 words.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.5 Programme (Scored 0-10)

Please provide a high-level programme for the delivery of the Sample Package Scheme Development Proposals.

The Programme should:

- Show all key work stages for each of the 3 Developments
- Show all key milestones for each of the 3 Developments

The Programme should be supported by a commentary explaining how those key milestones are properly resourced and deliverable to provide confidence that the Sample Package Scheme Development Proposals will be delivered on time. The commentary should also provide details of contingency and business

continuity measures that will be put in place to ensure the resilience of the proposed programme.

There is no word limit for this question

5. ADDITIONAL SITES

Criteria 5 – Sample Package Scheme Development Proposals
Q.5.1 Additional Sites Strategy (Scored 0-10)
<p>The joint venture commencement programme will be to deliver the development across the 12 initial sites. However, the joint venture will also need to have a strategy to seek and realise housing led development commercial opportunities beyond the development of these 12 initial sites.</p> <p>Please provide details of your overview approach, business plan and strategy in relation to future opportunities within the Borough of Havering over the duration of the arrangements beyond the development of these 12 initial sites. This may include (but is not limited to) strategic review and financial appraisals of other existing Authority sites for commercial development as well as further potential land assembly and acquisition opportunities to be jointly invested in and realised through the Joint Venture.</p> <p><i>Your response to this question should be no more than 1500 words.</i></p>

6. SOCIAL VALUE

Criteria 6 – Social Value
Q.6.1 Social Value Proposal (Scored 0-10)
<p>The Partner will be operating within the Borough over the long term and will be expected to apply its skills and ability to contribute towards the strategic social and economic development and regeneration of the area.</p> <p>The Authority is committed to delivery of social value linked to the development and regeneration of the sites. The Authority is looking to the Partner to drive benefits in terms of:</p> <ul style="list-style-type: none">• Providing apprenticeships and other skills development, work experience and opportunity access programmes to be provided in the Borough to secure skills to support the delivery of development programme and leave a legacy of workforce investment. The details of commitments, the quality and duration of the training programmes and support proposed should be included.• Offering curriculum support to schools with contractors sharing knowledge and expertise about their discipline.• Creating supply chain opportunities for SMEs and social enterprises.• Supporting initiatives like targeting hard to reach groups and offering training opportunities.• Investing in delivering facilities such as libraries and leisure facilities to communities and making them available for community use. <p>The deliverability of your proposal may be illustrated by relevant examples of social value in past projects. The Authority will be assessing the quality of the proposal and also the level of clear formal commitments, inputs and outputs put forward.</p> <p><i>Your response to this question should be no more than 1500 words.</i></p>

7. LEGAL AND COMMERCIAL

Criteria 6 – Legal
Q.7.1 Acceptance of Heads of Terms Principles (Pass/Fail)
<p>Bidders are required to confirm that the bid proposals will be on the basis of delivering the project on the basis and acceptance of the requirements and principles set out in the Heads of Terms. The Heads of Terms reflect the fundamental commercial requirements of the scheme and the operation of the JV for the Authority which are non-negotiable.</p> <p>Bidders are required to provide a Yes/No confirmation to this question.</p> <p>The Authority reserves the right to reject a tender which responds "No" or seeks to qualify its response.</p>

APPENDIX 3

FINANCIAL CRITERIA EVALUATION METHODOLOGY

Criteria 8 Financial Proposals

For the ITPD stage the Financial Proposal will be an assessment of the Form of Tender put forward by the Bidder in accordance with the requirements of Appendix 4.

The financial model will be assessed in terms of the robustness and credibility of the assumptions, and the financial offer being made. The following scoring methodology will be used to assess bids:

Criteria	Formula	Max Score	Bidder 1	Bidder 2	Bidder 3	Highest Offer
Robustness & Credibility	Evaluation	10.00	8.00	8.00	5.00	8.00
Residual Land Value	As Submitted		1,000,000	1,200,000	2,000,000	2,000,000
Council Share of RLV	As Submitted		45%	50%	40%	50%
Potential RLV to Council	Bidder RLV x Council Share		450,000	600,000	800,000	800,000
Weighted RLV to Council	Bidder RLV x Council Share x Robustness Factor		360,000	480,000	400,000	480,000
Total	Bidder Weighted RLV to Council/Highest Weighted RLV to Council x 30		22.50	30.00	25.00	

The Authority are seeking financial offers that are considered to be deliverable, and therefore credibility and robustness will be scored 0-10 as follows:

ITPD FINANCIAL EVALUATION - ROBUSTNESS SCORING MATRIX		
SCORE	COMMENTARY	
	CONFIDENCE IN ASSUMPTIONS	RISK TO DELIVERABILITY
0	No information provided so unable to score	
1	Extremely low	Extremely high
2	Very low	Very high
3	Low	High
4	Moderately low	Moderately high
5	Moderate	Moderate
6	Moderately high	Moderately low
7	High	Low

8	Very high	Very Low
9	Extremely high	Extremely Low
10	Fully robust and credible	

In evaluating credibility and robustness of the financial submission the financial model and commentary supplied by bidders will be assessed with the following factors considered:

- Build costs
- Overheads, finance costs & profit
- Allowances made for abnormals, risk and other cost items
- Sales values and income assumptions, including capital values and timing of income generation
- Programme durations

APPENDIX 4

FINANCIAL SUBMISSION FORM OF TENDER

For the purposes of the ITPD Response, the Financial Submission will consist of a business plan model for the three sample sites. Responses should comprise:

1. Please provide a **live financial model** in Excel format showing the financial appraisal of the three sample sites. The model should demonstrate all key elements including:

REVENUES

Residential Affordable (an average offer price of £172,000 per plot for the affordable rented units, and 40% of open market value (the sales receipt at point of sale) for any shared ownership units)

Residential Market

Non-residential uses

Ground rents

EXPENDITURES

Professional fees

CIL / S106 (at a fixed value to be confirmed by the Authority)

Construction broken down into buildings, externals, abnormals, OHP

Finance

PROGRAMME

Overall phasing

Site by site periods for pre-construction, construction and sales/lettings

Cashflow for each site and consolidated

OUTPUTS

Residual land value

Distribution of returns to the JV partners

SENSITIVITY ANALYSIS

Demonstrating scenarios where viability cannot be achieved

All business plan inputs should be on the basis of current values and current costs.

2. In addition to your own financial model we have provided a series of **summary sheets** that should be populated with data from your model. Instructions for completion of the summary sheets are included within the Excel file.

3. The Financial Model and Summary Sheets should also be accompanied by a **commentary** including explanation of your approach to:

- Key development appraisal assumptions
- The set up period of the Joint Venture
- An outline of how you intend to fund the Joint Venture
- The phasing of individual sites
- Balancing maximising development value and development output over the duration of the partnership including the market indicators and factors that would influence your choice of timing of the sequence of development of specific sites
- Achieving financing and sales efficiencies in the development site sequencing
- Integrating more commercially challenging sites or more difficult to develop sites into the programme as early as possible in a deliverable and financially sustainable way
- Your proposed structure for returns to the JV partners

The commentary response to this question should be no more than 2000 words.

APPENDIX 5

HEADS OF TERMS AND CONTRACTS

The Heads of Terms are included in the procurement documents available electronically through <https://www.capitalesourcing.com/web/login.shtml>

Other project documents are also included in the procurement documents available electronically through <https://www.capitalesourcing.com/web/login.shtml>

APPENDIX 6

GLOSSARY OF TERMS

The capitalised words and expressions in this ITPD have the meanings set out below unless the context specifically requires otherwise. References to the singular include the plural and vice versa.

"Advisers"

means all professional advisers of the Authority involved in the procurement of the Project

"Bid"

means each of the written proposals submitted by a Bidder as part of this procurement process at any stage of the procurement

"Bidders"

means individuals and/or organisations who have been pre-qualified and to whom this ITPD has been issued by the Authority

"Concession Documents"

means any document issued by the Authority as part of this procurement process

"Confidential Information"

means all information designated as confidential and disclosed to the Bidders by the Authority or its Advisers in order for them to formulate and prepare their Bid; or which may be supplied by the Authority or its Advisers at a future date (whether in written or visual format or otherwise)

"Consortium"

means either an entity which is to be formed by a group of Organisations or a group of Organisations acting jointly as the Bidder

"Consortium Member"

means where the Bidder is a consortium, any individual economic operator forming part of that consortium

"Final Tenders" the Bid submitted in responses to the ISFT

"Organisation"

means a sole trader, partnership, limited partnership, limited liability partnership, co-operative or company and any analogous entity established inside or outside the UK and should be interpreted accordingly

"Preferred Bidder"

means the Bidder which has been assessed by the Authority as having the most economically advantageous Final Tender

APPENDIX 7
CERTIFICATES

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON- COLLUSION

In the case of a Consortium, each Consortium Member must complete and return this Certificate.

To the London Borough of Havering (“the Authority”)

The essence of the public procurement process is that the Authority shall receive bona fide competitive Tenders from all Bidders. In recognition of this principle I/We certify that this is a bona fide Tender, intended to be competitive and that I/we have not fixed or adjusted the amount of the Tender or the rates, financial responses and prices quoted by or under or in accordance with any agreement or arrangement with any other party.

I/We also certify that I/we have not done and undertake that I/we will not do at any time any of the following acts:

- a) communicate to a party other than the Authority the amount or approximate amount of my/our proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of the Tender);
- b) enter into any agreement or arrangement with any other party that he shall refrain from tendering or as to the amount of any Tender to be submitted;
- c) offer or agree to pay or give or pay or give any sum of money inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused any act or omission to be done in relation to any other tender or the proposed Tender; or
- d) enters into any type of agreement or arrangement with any other party aimed at distorting the outcome of the competition

In this Certificate:

- the word “person” includes any person, body or association, corporate or incorporate
- the phrase “any agreement or arrangement” includes any transaction, formal or informal whether legally binding or not.
- the word “Tender” includes all tender submissions including ITPD submissions, Final Tender submissions together with associated clarifications provided by the Bidder

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON - CANVASSING

In the case of a Consortium, each Consortium Member must complete and return this Certificate.

To London Borough of Havering ("the Authority")

I/We hereby certify that I/we have not in connection with the award of the contract for the project or any other proposed contract for Havering Estate Regeneration Partner Project

- canvassed any member, employee, agent of the Authority
- undertaken to unduly influence the decision-making process of the Authority
- undertaken to obtain confidential information that could confer upon an undue advantage in the award of the contract

and that no person employed by me/us or acting on my/our behalf has done any such act.

I/We further hereby undertake that I/we will not in the future do or seek to do the prohibited acts referred to above and that no person employed by me/us or acting on my/our behalf will do any such act.

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

London Borough of Havering

INVITATION TO CONTINUE DIALOGUE (“ITCD”)

Havering Estate Regeneration Partner Project

IMPORTANT NOTICES

This Invitation To Continue Dialogue (ITCD) has been prepared by the London Borough of Havering (of the Town Hall, Main Road, Romford, RM1 3BD) ("**the Authority**") and is for use by those invited to bid for the Havering Estate Regeneration Partner Project, their professional advisers, and other parties essential to preparing the bid for the project and for no other purpose.

You are deemed to fully understand the process that the Authority is required to follow under relevant European and UK legislation, particularly in relation to public procurement rules.

Bidders' attention is drawn to the further notices set out in **Appendix 1 (Important Notices)** which form part of the conditions of participation in this procurement process.

1 INTRODUCTION

General

- 1.1 Thank you for participating in competitive dialogue in relation to the call for competition advertisement placed in the Official Journal of the European Union with reference number 2017/S 094-185114.¹
- 1.2 Three bidders, including your organisation/consortium, have been invited to continue to participate in Competitive Dialogue with the Authority. This Invitation to Continue Dialogue document ("ITCD") provides further details of the process.
- 1.3 The Three Bidders invited to continue in the Competitive Dialogue process are:



[REDACTED]

Competitive Dialogue

- 1.4 This ITCD has been developed to set out the key steps in this procurement to achieve the selection of a provider to partner with the Authority to form a long term corporate joint venture property vehicle (on a 50:50 ownership basis) to secure investment and expertise to deliver the Authority's housing led regeneration strategy ("the Project").
- 1.5 The Authority is procuring the Project using an approach similar to the competitive dialogue procedure (as described in Regulation 30 of the Public Contracts Regulations 2015 (as amended)), which provides the opportunity for a structured approach to procurement. The Authority reserves the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016.
- 1.6 The purpose of this ITCD is to provide the framework for the continuing competitive dialogue process and to provide further information about the scheme.
- 1.7 The ITCD aims to:
- provide information to Bidders on the Project and the opportunities available;
 - set out clearly the Authority's requirements;
 - provide information on the Authority's approach to the competitive dialogue procurement process;
 - set out the deliverables required from Bidders at the second stage of the procurement; and
 - set out the evaluation criteria that the Authority will use to assess Bidders' final tender responses.
- 1.8 The key stages of the procurement are set out in the Indicative Project Timeframe below.

¹

<http://ted.europa.eu/udl?uri=TED:NOTICE:185114-2017:TEXT:EN:HTML>

- 1.9 During the continuing dialogue phase the Authority will have discussions with Bidders with the aim of identifying and defining the best solution to meet the Authority's requirements. Details of the overall timetable and submission deadlines, competitive dialogue meetings, programme and other key dates are outlined in **Section 3** below. This phase of dialogue will continue until the Authority is satisfied that one or more of the final solutions proposed by Bidders is capable of meeting all of the Authority's requirements. At this point, the Authority will declare the dialogue to be concluded and issue an ISFT to Bidders to confirm the requirements for Final Tenders.
- 1.10 The issue of the ISFT will be an invitation to Bidders to submit Final Tenders. The questions that Bidders will be required to answer are set out in **Appendix 2 (Quality Questions)** and **Appendix 4 (Financial Submissions)** to this document.
- 1.11 The evaluation criteria against which Bid responses will be assessed and the evaluation methodology applied is provided in **Section 4** below.
- 1.12 Final Tenders should be based on the solution(s) presented and specified at the conclusion of the dialogue, contain all the elements required and necessary for the performance of the project and should meet all the Authority's requirements. **Final Tenders are expected to be final as there is limited opportunity to vary tenders after submission.** However, the Authority may request Bidders to clarify, specify or optimise their tender. Any activity which leads to changes to a Bid must not change the basic features and essential aspects of a Bid, the requirements of this ITCD or distort competition.
- 1.13 Following the submission of Final Tenders, the Authority expects to undertake a process to identify a Preferred Bidder that provides the most economically advantageous tender which the Authority is minded to appoint.
- 1.14 Prior to selection of a Preferred Bidder, the Authority will have to obtain approval from the Cabinet of the Council. On approval, a Preferred Bidder will be appointed and a Preferred Bidder letter issued inviting the Preferred Bidder to work with the Authority to finalise the contractual arrangements to deliver the Project.
- 1.15 Following appointment of a Preferred Bidder there is a further opportunity to negotiate to confirm commitments contained in the tender in order finalise terms provided, again, that there are no substantial changes to the tender, the requirements of the procurement process and that this does not risk distorting competition or causing discrimination.
- 1.16 The Authority reserves the right to vary the selection procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance.

2 NEEDS AND REQUIREMENTS FOR THE PROJECT

Overview

- 2.1 The Project involves delivering the following:
- 2.1.1 The Authority's housing led regeneration strategy. The initial programme is anticipated to involve 12 sites across the borough delivering in the

region of 3000 new homes and the scheme will involve opportunities for development sales. The opportunity will focus on Authority owned sites throughout the borough (including but not limited to the initial 12 sites) and potentially other sites owned or acquired by the Authority (including through the Joint Venture) during the joint venture period. The Joint Venture will focus on delivering housing led development within the borough for the commercial private sale sector, shared ownership and affordable housing.

- 2.1.2 The housing led development of sites may also involve a degree of mixed-use development including, but not limited to office, commercial, leisure, retail, community and public realm space being delivered ancillary to the residential focus and as part of the overall complex.

The initial 12 sites are as follows:

The Initial 12 Sites		
Ref.	Site	Area
1	Waterloo Estate	Romford
2	Queen Street	Romford
3	Oldchurch Gardens	Romford
4	Serena, Solar and Sunrise	Hornchurch
5	Maygreen Crescent, Park Lane	Hornchurch
6	Dell Court	Hornchurch
7	Royal Jubilee Court	Gidea Park
8	Napier House and New Plymouth House	Rainham
9	Delderfield House	Romford/Cranham
10	Brunswick Court	Romford/Cranham
11	Chippenham Road, Farnham Road, Hildene Avenue	Harold Hill/Gidea Park
12	Delta TMO Estate	Harold Hill/Gidea Park

- 2.1.3 The priority sites are those which comprise the Sample Package Scheme of 4 sites (divided into 3 Developments) which will consist of:

Sample Package Scheme Sites		
Ref.	Site	Development
1	Waterloo Estate	Development 1
2	Queen Street	
3	Napier House and New Plymouth House	Development 2
4	Serena, Solar and Sunrise	Development 3

- 2.1.4 In connection with the delivery of these and other future housing schemes, the partner will be required to provide services including master planning; strategic development consultancy advice; environmental consultancy advice; technical and building services; architectural design; urban design and landscaping; physical construction

and development; land assembly; possible refurbishment of assets and marketing and disposal of development assets.

- 2.2 The Project's key needs and requirements are set out in:
- 2.2.1 the Heads of Terms and the Contracts referred to in **Appendix 5 (Heads of Terms and Contracts)**;
 - 2.2.2 The Memorandum of Information; and
 - 2.2.3 all other documents on the portal should also be referred to in order to gain an overview of the Project's needs and requirements.
- 2.3 These documents are included in the Concession Documents available electronically through Capital e-sourcing
<https://www.capitalesourcing.com/web/login.shtml>

3 TIMEFRAME AND PROCESS

Indicative Project Timeframe

- 3.1 The table below sets out the key dates in the procurement process. At this stage, the timetable is subject to confirmation and the Authority reserves the right to amend this indicative timeframe as the project progresses.

Indicative Date	Stage
13.09.2017	Issue of ITCD to three shortlisted bidders and notification to unsuccessful bidders.
18.09.2017 – 13.11.2017	Period for dialogue meetings and negotiations with final two to three bidders
20.11.2017 17:00 hours	Deadline for ITCD clarification questions from shortlisted bidders
13.11.2017	End of Competitive Dialogue stage and issue of Invitation to Submit Final Tenders (“ISFT”).
13.11.2017 – 04.12.2017	Period for remaining bidders to finalise tenders.
04.12.2017 13:00 hours	Deadline for return of Final Tenders.
04.12.2017 – 18.12.2017	Clarifications and evaluation of Final Tenders.
18.12.2017 – 15.01.2018	Authority internal approval process for Preferred Bidder appointment. Period for confirming commitments of the Preferred Bidder's Final Tender and finalising the terms of the contract and the Authority's internal approvals for reaching a contract award decision.

15.01.2017	Announcement of the Authority's final contract award decision in respect of the successful Bidder. Issue of contract award notifications and debriefing information to unsuccessful participants commencing the 10-day standstill period.
26.01.2018	Expiry of standstill period.
29.01.2018	Contract close with successful Bidder.
<i>To be confirmed</i>	Appointed provider to start on the property development

Dialogue Meetings

- 3.2 The Authority will be holding dialogue meetings with shortlisted Bidders. Each Bidder will be invited and required to attend.
- 3.3 The following dates have been set aside for dialogue meetings:

Date	Meeting Plan
Monday 25 th September	Split session to include feedback from the Authority on ITPD submissions and initial dialogue on legal documentation focusing on the Draft Members Agreement and Draft Development Agreement.
Thursday 5 th October	Dedicated to scheme proposals
Friday 13th October 17:00	Return of initial interim mark-ups of the Draft Members Agreement and Draft Development Agreement.
Wednesday 18 th October	Dedicated to Bidder response to legal documentation (bidders to submit an interim mark-up in advance and no later than Friday 13th October).
Thursday 26 th October	Open session

All dialogue meetings will be held at Savills' offices unless advised otherwise. We suggest you have your Design team available on both 25th September and 5th October; and your Legal team available on both 25th September and 18th October.

- 3.4 The purpose of these meetings is to establish a meaningful dialogue with Bidders to develop and improve upon their solutions for Final Tender submission. This time is available to discuss Bidders' further thoughts on successfully achieving the requirements of the Project and to ask further questions in order to develop an understanding of the Authority's requirements and key commercial principles.

Legal Documentation Mark-Ups during Dialogue

- 3.4.1 The Authority and Bidders will have dialogue on the Legal documents issued at ITCD. Bidders are invited to put forward an initial mark-up following the first dialogue meeting on 25th September. This will be the subject of further dialogue on 18th October, after which the Authority will issue a further iteration of the documents. Bidders will then be able to seek further clarification ahead of submitting their final mark-up on the 4th December when final tenders are due.
- 3.4.2 Following the first dialogue meeting of 25th September, Bidders are required to submit initial interim mark-ups of the Draft Members Agreement and Draft Development Agreement (with supporting commentary and reasoning to explain changes including where drafting is to be finalised) by 13th October 17:00 hours to be uploaded through the portal in electronic format only via <https://www.capitalesourcing.com/web/login.shtml>
- 3.4.3 These initial interim mark-ups will not be scored but will be used to inform the negotiation meeting on 18th October after which the Authority will issue a further iteration of the documents.
- 3.4.4 The Authority reserves the right to required further interim mark-up to inform contract negotiations as part of the dialogue process.
- 3.4.5 A final mark-up of the Members Agreement and Draft Development Agreement will be required to be submitted as part of the Final Tenders and such final mark-up should reflect the positions agreed with the Authority at the conclusion of the dialogue stage.
- 3.5 The Authority reserves the right to change the location, times and dates of these meetings.
- 3.6 Additional meetings may be considered appropriate by the Authority for this stage of dialogue. If so, these will be arranged by the Authority with due notice and run to an agreed agenda. It is anticipated that there will be further dialogue meetings to negotiate the Legal documents during the first half of November.
- 3.7 The meetings will be held commercially in confidence and Bidders are directed to the information in **Appendix 1 (Important Notices)** below in relation to the obligations of the Authority under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.
- 3.8 The Authority will maintain its own record of meetings, which, insofar as specific to a particular Bidder, would not be circulated to the other Bidders. Bidders should note that issues raised and/or responses given which are generic may be communicated to all Bidders, in accordance with equal treatment principles.

- 3.9 Bidders should make arrangements for maintenance of their own record of meetings.

Concession Documents

- 3.10 The Concession Documents consist of:

- 3.10.1 The Concession Notice
- 3.10.2 The Selection Questionnaire
- 3.10.3 The Memorandum of Information
- 3.10.4 The Heads of Terms
- 3.10.5 The Invitation to Participate in Dialogue
- 3.10.6 LBH ITCD financial proforma
- 3.10.7 Programme and meeting dates
- 3.10.8 Site specific briefs
 - a. Napier and New Plymouth site brief
 - b. Solar Serena Sunrise site brief
 - c. Waterloo Estate and Queen Street site brief
- 3.10.9 Red line plans
 - a. Napier and New Plymouth redline plan
 - b. Serena Solar Sunrise redline plan
 - c. Waterloo redline plan

Additional documents made available at this ITCD stage include:

- 3.10.10 Draft Members Agreement
- 3.10.11 Draft Development Agreement
- 3.10.12 Benchmark Specification (*LB Havering Specification for Regeneration Scheme 8th Sept 2017*)
- 3.10.13 Clarification log

Bidders should note that the Members Agreement and Development Agreement will be subject to further updates (including Schedules) during the competitive dialogue period and the Authority will notify Bidders of these as they become available on the e-sourcing portal.

- 3.11 These documents are included in the Concession Documents available electronically through Capital e-sourcing
<https://www.capitalesourcing.com/web/login.shtml>

Final Tender Submission

- 3.12 Bidders should present their responses as per the instructions below.

- All responses should be in English, text submitted in A4, with a font size of Arial 12 and any financial references should be in Pounds Sterling.
- Completed responses should be signed by a partner or director of the Bidder (and, in the case of a Consortium, by a partner or director of each member).

- Bidders are required to submit completed responses in electronic format only and submitted via <https://www.capitalesourcing.com/web/login.shtml>
- The Authority reserves the right, at its discretion, to reject Bids delivered after the date and time specified. Please see **Appendix 1 (Important Notices)**.
- The Authority reserves the right, at its discretion, to request clarifications in writing or further relevant information from any bidder after the submission of responses.

Ongoing Questions

- 3.13 Any queries arising from this ITCD and the Concession Documents provided which may have a bearing on the Final Tender submissions to be made by Bidders should be raised.
- 3.14 All queries in relation to the ITCD stage of this procurement must be made via the clarifications process through <https://www.capitalesourcing.com/web/login.shtml> by no later than **20th November 2017 at 17:00 hours**. The Authority reserves the right not to respond to clarifications in respect of the ITCD stage submitted after this period.
- 3.15 Where the Authority considers that questions are material to the procurement process and the fullest understanding of its objectives, these questions and their subsequent replies will be disseminated to all Bidders. The Authority will keep confidential all information relating to its dialogue in relation to Bidders' proposals and will not share this information with any other Bidder.
- 3.16 Bidders should note, in relation to all responses to questions that the Authority and its advisers offer no guarantee that such information in response to questions will be made available at this stage and are not warranting the accuracy of any responses.

Confidentiality and Freedom of Information

- 3.17 The Authority acknowledges the need during the competitive dialogue to treat Bidder's solutions confidentially. If during the process any questions asked of or information provided to the Authority is considered by the Bidder to be confidential, the request must be clearly marked "in confidence – not to be circulated to other bidders" and Bidders must set out the reason(s) for the request for non-disclosure to other Bidders.
- 3.18 The Authority will consider such requests and will act reasonably as regards the protection of commercially sensitive information relating to the Bidders but will have sole discretion as to such disclosure, subject to complying with the Authority's duties under the Freedom of Information Act (2000) and the Environmental Information Regulations (2004).

Return of Certificates

- 3.19 The Authority requires Bidders to make certain undertakings if they wish to remain in the competition. These undertakings include signing the following documents, which must be completed and submitted by uploading electronically via

<https://www.capitalesourcing.com/web/login.shtml> at Final Tender stage. Copies of the certificates are provided in **Appendix 7**

- Certificate of Non-Canvassing
- Certificate of Non-Collusive Tendering

4 EVALUATION

This section sets out the evaluation criteria and selection process against which all stages of the competitive dialogue, including Final Tenders, will be assessed.

Bidders are required to respond to each of the questions set out in **Appendix 2 (Quality Questions)** and complete in full the requirements in **Appendix 4 (Financial Submission)** for the ITCD Submission.

4.1 Compliance

- 4.1.1 Prior to carrying out the detailed scoring of Bids, an assessment of the Bidders' responses to the Bid deliverables at each stage of the procurement will be made to ensure that sufficient information at the required standard has been provided as requested. Bids which are substantially incomplete or which are non-compliant with the requirements set out in this ITCD (and as confirmed in the ISFT) may be rejected.
- 4.1.2 The Authority reserves the right to call for information from Bidders to amplify and clarify their Bid responses.

4.2 Evaluation Methodology

- 4.2.1 Following compliance checks, each Bid will be evaluated and scored against the evaluation criteria and weightings set out in this Section below and Bidders ranked in line with their scores.

4.3 Evaluation Criteria and Weightings

- 4.3.1 The evaluation criteria and weightings that will be applied by the Authority for the Final Tender evaluation of the competitive dialogue procedure are shown in **Table 1** below.
- 4.3.2 The detailed evaluation criteria (and sub-criteria) and weightings that will be applied by the Authority when evaluating the Final Tender are shown in **Table 2** below.
- 4.3.3 The Authority reserves the right to update and refine the quality questions (**Appendix 2**) and sub-criteria as well as the Financial Evaluation approach, methodology and sub-criteria (**Appendix 3 and Appendix 4**) for the ISFT stage of the Competitive Dialogue process.
- 4.3.4 The detailed evaluation criteria (and sub-criteria) and weightings that will be applied by the Authority when evaluating the Final Tenders will be initially set out in the ITCD and confirmed in the ISFT document issued to Bidders invited to respond to the relevant stages of the competition process.

4.4 Scoring

- 4.4.1 In this competitive dialogue competition process, the Bids will be assessed on the basis of the most economically advantageous tender.

- 4.4.2 The scoring of Bids will be based on a detailed analysis of the responses in for criteria in accordance with the methodology below.

Quality Criteria

- 4.4.3 In relation to the Quality criteria (and sub-criteria) each question will be scored in application of the following scoring scale:

QUALITY SCORING SCALE	
Score	Commentary
0	Very weak or no answer
1	Weak – well below expectations
2	Poor - well below expectations
3	Poor - below expectations
4	Satisfactory but slightly below expectations
5	Meets expectations
6	Slightly exceeds expectations
7	Good - well above expectations
8	Very good
9	Outstanding
10	Exceptional

- 4.4.4 In applying the scoring scale, each Bid will be evaluated according to its quality and deliverability. The term ‘quality’ in this context refers to performance and fitness for purpose of the proposal and therefore covers any aspect of a submission that affects the performance of the contract. ‘Deliverability’ refers to the likelihood that all aspects of a particular submission could in fact be delivered by the Bidder concerned.
- 4.4.5 The Quality Criteria (Criteria 1 to 6 and sub-criteria questions) remain the same at ITCD as they did at ITPD. The Authority is expecting, following dialogue, Bidders to submit their revised proposals that have already been developed through the first stage of dialogue. A further round of dialogue will enable Bidders to test their proposals with the Authority. At the first dialogue meeting on 25th September feedback will be given to bidders on their ITPD submissions.
- 4.4.6 In responding to the Quality Criteria bidders are encouraged to make their responses specific to this venture and to the London Borough of

Haverling. This is the final opportunity for Bidders to put forward specific proposals as to how they will deliver this venture.

Legal Criteria

- 4.4.7 Evaluation of all amendments to the contractual documents consisting of the Draft Members Agreement and Draft Development Agreement proposed in a Bidder's submission shall be based on a number of factors:
- (a) the degree of acceptance of the terms of the contractual documents as identified in the scoring table below; and
 - (b) where amendments are proposed, whether the allocation of risk in respect of the project is beneficial or detrimental to the Authority.
- 4.4.8 The contractual documents will be given a raw score of between zero and five, this raw score will then be applied to the weighting for the Legal & Commercial Criteria.
- 4.4.9 Amendments will be evaluated and allocated a score by reference to the degree to which such provisions conform to the provisions of the contract and the risk allocation reflected therein. The Authority will apply a lower score to those Bidders which include amendments which vary the position of the parties as set out in the contracts and either increases the risk to the Authority or decrease the risk to the contractor or which vary the position in another way unsatisfactory to the Authority. A Bidder's score may result from a single amendment or a combination of amendments.
- 4.4.10 The scoring methodology is set out below.

LEGAL SCORING SCALE	
Score	Meaning
5	Amendments giving rise to added value for the Authority: proposed amendments are very or wholly advantageous to the Authority and will bring significant benefits to the Authority with persuasive reasoning / identification of benefits provided to support derogations;
4	No Amendments: no amendments or amendments are moderately advantageous to the Authority with reasoning / identification of benefits provided to support derogations;
3	Amendments Not Significant: the submission contains minor amendments with reasoning / identification of benefits proposals provided to support derogations;
2	Amendments of Low Significance to Significant: amendments that do not meet the Authority's required risk position and are of moderate disadvantage to the Authority due to the number and/or seriousness of the derogations proposed;

1	Amendments Significant: amendments that do not meet the Authority's required risk position and are of major disadvantage to the Authority due to the number and/or seriousness of the derogations proposed;
0	Amendments Highly Significant: amendments that do not meet the Authority's required risk allocation position and are unacceptable to the Authority due to the number and/or seriousness of the derogations proposed.

- 4.4.11 The Authority reserves the right to disqualify any Bidder that scores 1 or below in the Legal Scoring Scale for this element of their tender. A score of 1 or below would potentially place the Authority in a significant position of risk so this has been set as a threshold below which a bid may be deemed non-compliant.

Financial Criteria

- 4.4.12 The financial criteria will be scored by applying the methodology set out in **Appendix 3 (Financial Criteria Evaluation Methodology)** in respect of the financial proposals to responses provided by Bidders in their Financial Submissions in the format set out in **Appendix 4 (Financial Submissions)**.

Table 1: Evaluation Criteria and Weightings for the Final Tender Evaluation Stage

No.	Criteria	Weighting for Final Tender Evaluation (ISFT Stage)
1	Partnering	20%
2	Construction Programme Delivery	10%
3	Market Positioning	10%
4	Sample Package Scheme Development Proposals	20%
5	Additional Sites	2.5%
6	Social Value	7.5 %
7	Legal & Commercial	10%
8	Financial Proposals	20%

Table 2: Detailed Criteria and Weightings for Final Tender Evaluation

No.	Criteria	Criteria Weighting	Level 1 Sub-Criteria	Evaluation	Level 1 Sub-Criteria Weighting
1	Partnering	20%	Q.1.1 Joint Venture Leadership Management and Partnership Working	Scored 0-10	10%
			Q.1.2 Joint Venture Resourcing	Scored 0-10	10%
2	Construction Programme Delivery	10%	Q.2.1 Supply-Chain Selection, Co-ordination and Management	Scored 0-10	2.5%
			Q.2.2 Construction Project Management	Scored 0-10	2.5%
			Q.2.3 Construction Health and Safety Approach and Measures	Scored 0-10	2.5%
			Q.2.4 Minimising Construction Energy, Water and Waste	Scored 0-10	2.5%
3	Market Positioning	10%	Q.3.1 Market Positioning	Scored 0-10	10%
4	Sample Package Scheme Development Proposals	20%	Q.4.1 Development 1 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.2 Development 2 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.3 Development 3 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.4 Sample Package Scheme Development Proposals - Stakeholder Engagement and Communication	Scored 0-10	2.5%
			Q.4.5 Sample Package Scheme Development Proposals – Construction Programme Plans	Scored 0-10	2.5%
5	Additional Sites	2.5%	Q.5.1 Additional sites	Scored 0-10	2.5%
6	Social Value	7.5%	Q.6.1 Social Value Proposal	Scored 0-10	7.5%
7	Legal & Commercial	10%	Q.7.1 Acceptance of Legal Documents	Scored 0-5	10%
8	Financial Proposals	20%	Q.8.1 Financial Model and Commentary (see Appendix 3 and Appendix 4)	Scored (see Appendix 3 and 4)	20%

APPENDIX 1

IMPORTANT NOTICES

1 CONFIDENTIALITY

- 1.1 The procurement process may involve the Authority providing Confidential Information to the Bidders. The Bidders shall at all times:
 - 1.1.1 treat all Confidential Information as confidential;
 - 1.1.2 not disclose, copy, reproduce, distribute or pass the Confidential Information to any other person at any time;
 - 1.1.3 not use the Confidential Information for any purpose other than for the purposes of making (or deciding whether to make) a Bid in relation to the Project ("Bid"); and
 - 1.1.4 comply with the provisions of paragraph 6 below (which contains restrictions on publicity activity within any section of the media or similar)
- 1.2 Bidders shall procure that, if it is a Consortium, each Consortium Member who receives any of the Information is made aware of, and complies with, the confidentiality obligations in this section.
- 1.3 Bidders may disclose, distribute or pass the Confidential Information to another person (including, but not limited to, for example, employees, consultants, subcontractors or advisers, the Bidder's insurers or the Bidder's funders) if either:
 - 1.3.1 this is done for the sole purpose of enabling a Bid to be made and the person receiving the Confidential Information undertakes in writing to keep the Information confidential on the same terms as set out in this ITCD; or
 - 1.3.2 the Bidder obtains the prior written consent of the Authority in relation to such disclosure, distribution or passing of the Information
- 1.4 The Authority may disclose detailed information relating to Bids to the Authority's members, directors, officers, employees, agents or advisers and they may make the key Bid documents available for private inspection by the Authority's members, directors, officers, employees, agents or advisers.
- 1.5 The Authority also reserves the right to disseminate Information that is materially relevant to all Bidders (even in the event that the Information has only been requested by one Bidder), subject to the duty to protect any Bidder's commercial confidence in its Bid. It is the responsibility of the Bidder to avoid such disclosure by stating in writing to the Authority that the request is clearly marked "Commercial in confidence - not to be circulated to other Bidders" and the Bidder must set out a proper and relevant reason or reasons for the request for non-disclosure to other Bidders.
- 1.6 The Authority reserves the right to:

- 1.6.1 provide general information about the successful SQ submissions to unsuccessful applicants in order to provide debriefing information in accordance with principles under EU procurement rules;
 - 1.6.2 provide information about successful Bid(s) to unsuccessful bidders as part of debriefing obligations under Regulation 40 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful Bid(s));
 - 1.6.3 provide information about the winning tender to unsuccessful bidders as part of debriefing obligations during the standstill period in accordance with Regulation 47 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful tender);
 - 1.6.4 publish information in the Official Journal of the European Union (OJEU) in accordance with Regulation 32 Concession Contracts Regulations 2016 concerning any contract awarded (including but not limited to the value of any contract awarded).
- 1.7 The Authority will act reasonably as regards the protection of commercially sensitive information relating to the Bidder, subject to the Authority's duties under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 (see below).

2 FREEDOM OF INFORMATION ACT 2000 AND ENVIRONMENTAL INFORMATION REGULATIONS 2004

- 2.1 The Authority is subject to the requirements of the Freedom of Information Act 2000 (the "Act") and the Environmental Information Regulations 2004 ("EIR"). Accordingly, all information submitted to it may need to be disclosed by the Authority in response to a request under either the Act or the EIR (a "Request").
- 2.2 In making any submission during this procurement process, each Bidder acknowledges and accepts that information contained therein may be disclosed by the Authority under the Act or EIR without consulting the Bidder, although the Authority will endeavour to consult with the Bidder and consider its views before doing so.
- 2.3 If Bidders consider that any information made available to the Authority is commercially sensitive, they should identify it and explain (in broad terms) what harm may result from disclosure, and the time period applicable to that sensitivity. Even where information made available to the Authority is marked commercially sensitive, the Authority shall be entitled (acting in its sole discretion) to disclose it pursuant to a Request. Please also note that information marked "confidential" or equivalent by Bidders does not bind the Authority to any duty of confidence by virtue of that marking.
- 2.4 Exemptions to disclosure pursuant to a Request do exist and the Authority reserves the right to determine (acting in its sole discretion) whether there is any available exemption and whether to disclose any information made available to it by Bidders pursuant to any Request. If you are unsure as to the Authority's obligations under

the Act or EIR regarding the disclosure of sensitive information please seek independent legal advice.

3 CONFLICTS

- 3.1 The Authority requires all actual or potential conflicts of interest to be declared and resolved to the Authority's satisfaction during the dialogue stage and prior to the delivery of a Bidder's Final Tender submission. Failure to declare such conflicts (including new conflicts which may arise during the competition) and/or failure to address such conflicts to the reasonable satisfaction of the Authority could result in a Bidder being disqualified at the sole discretion of the Authority.

4 CANVASSING AND NON-COLLUSION

- 4.1 The Authority reserves the right to disqualify (without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability which such conduct by a Bidder or Consortium Member (as the case maybe) may attract) any Bidder or Consortium Member who (or its directors or any other person who has powers of representation, decision or control of the Bidder or Consortium Member), in connection with this ITCD:
- 4.1.1 offers any inducement, fee or reward to any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ITCD;
 - 4.1.2 does anything which would constitute the offence of within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption;
 - 4.1.3 does anything which would constitute the offence of bribery, where the offence relates to active corruption;
 - 4.1.4 does anything which would constitute bribery within the meaning of section 1 or 6 of the Bribery Act 2010;
 - 4.1.5 canvasses any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ITCD;
 - 4.1.6 contacts any officer of the Authority prior to financial close about any aspect of the ITCD in a manner not permitted by this ITCD (including without limitation contact for the purposes of discussing the possible transfer to the employment of the Bidder of such officer);
 - 4.1.7 fixes or adjusts the amount of his Bid by or in accordance with any agreement or arrangement with any other Bidder or Consortium Member of any other Bidder (other than its own Consortium Members or supply chain);
 - 4.1.8 enters into any agreement or arrangement with any other Bidder (or Consortium Member of any other Bidder) to the effect that it shall refrain from making a Bid or as to the amount of any Bid to be submitted;
 - 4.1.9 causes or induces any person to enter such agreement as is mentioned in either paragraph 8.1.7 or 8.1.8 or to inform the Bidder (or a Consortium

Member of the Bidder) of the amount or approximate amount of any rival Bid;

- 4.1.10 canvasses any person connected with this ITCD who is not one of its own Consortium Members or one of its own team;
 - 4.1.11 offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Bid (or proposed Bid) any act or omission;
 - 4.1.12 communicates to any person other than the Authority the amount or approximate amount of his proposed Bid (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a Bid);
 - 4.1.13 enters into any agreement with any other Bidder (or a Consortium Member of any other Bidder) aimed at distorting the outcome of the competition;
 - 4.1.14 undertakes to unduly influence the decision-making process of the Authority; or
 - 4.1.15 undertakes to obtain confidential information that could confer upon an undue advantage in the award of the contract.
- 4.2 Bidders will be required to complete and submit certificates of non-collusion and non-canvassing at the Final Tender submission stage.

5 INTELLECTUAL PROPERTY

- 5.1 This ITCD (and all Procurement Documents) may not be reproduced, copied or stored in any medium without the prior written consent of the Authority except in relation to the preparation of a Bid.
- 5.2 All documentation supplied by the Authority in relation to this ITCD (and all Procurement Documents) is and shall remain the property of the Authority and must be returned on demand, without any copies being retained. Bidders are not authorised to copy, reproduce, or distribute the information in the Procurement Documents at any time except as is necessary to produce a Bid.

6 PUBLICITY

- 6.1 Bidders shall not undertake (or permit to be undertaken) at any time, whether at this stage or after financial close, any publicity activity with any section of the media in relation to the Project other than with the prior written agreement of the Authority. Such agreement shall extend to the content of any publicity. In this paragraph the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

7 LIABILITY OF THE AUTHORITY AND ITS ADVISERS

- 7.1 In the Concession Documents, "the Authority" includes all or any of the Authority and its members, officers and Advisers, and the directors, officers, members, partners, employees, other staff, agents or advisers of any such body or person.
- 7.2 The Concession Documents have been prepared by and on behalf of the Authority for the purposes of:
- 7.2.1 providing an application procedure for individuals or organisations interested in tendering for the Project; and
 - 7.2.2 to assist persons interested in tendering for the Project role in making their own evaluation of the potential opportunity
- 7.3 The Concession Documents are intended only to provide a background explanation of the Project and are not intended to form the basis of any decision on whether to enter into any contractual relationship with the Authority. The Concession Documents do not purport to have been independently verified. The Concession Documents should not be relied on as an investment recommendation of the Project made by the Authority to the potential contractor.
- 7.4 The Authority and its Advisers:
- 7.4.1 do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the Concession Documents provided. Any persons considering entering into a contractual relationship with the Authority should make their own investigations and independent assessment of the Authority and its requirements for this scheme and should seek their own professional technical, financial and legal advice; and
 - 7.4.2 exclude all liability for any loss or damage (whether caused by contract, tort (including negligence), misrepresentation or otherwise) (other than in respect of fraud or fraudulent misrepresentation or personal injury or death) in relation to the Concession Documents and/or arising as a result of reliance on the information in the Concession Documents or any subsequent information made available to Bidders. Any and all liability is expressly excluded to the maximum extent permissible by law.
- 7.5 Only the express terms of any written contract relating to the Project (as and when it is executed) shall have any contractual effect in connection with this Project.
- 7.6 The publication of the Concession Documents in no way commits the Authority to award any contract to deliver the Project. The Authority reserves the right to vary or change all or any part of the procedures for the procurement process at any time or not to proceed with the procurement.
- 7.7 For the purposes of the procurement, all Advisers referred to in this document are acting exclusively as the advisers to the Authority and will not be responsible or owe any duty of care to anyone other than the Authority.

8 PROVISION OF FURTHER INFORMATION TO BIDDERS PRIOR TO MAKING A BID

- 8.1 The Authority is relying on the information provided by Bidders during the procurement process (including but not limited to Bids and SQ submissions). If, at any time during this procurement process there are any material changes to that

information, the Bidder must advise the Authority as soon as practicable (even if this is prior to the submission of a Bid). Upon receipt of such information, the Authority shall be entitled to revisit the selection and/or evaluation of the Bidder and exclude the Bidder if necessary, as a result of that process.

9 BIDDING PROCESS AND COSTS

9.1 The Authority reserves the right at any time:

- 9.1.1 to require a Bidder and/or its Consortium Members to clarify their Bid(s) in writing and/or provide additional information (failure to respond adequately may result in a Bidder not being successful); and/or
- 9.1.2 to reduce the number of Bidders in the procurement process
- 9.1.3 to amend the terms and conditions of the procurement process;
- 9.1.4 not to consider Bids other than those specified;
- 9.1.5 to negotiate with one or more of the Bidders during the competitive dialogue to obtain arrangements which best meet its requirements;
- 9.1.6 to issue amendments or modifications to the ITCD;
- 9.1.7 to alter the timetable to contract award;
- 9.1.8 to cancel or withdraw from the tender process at any stage; and
- 9.1.9 not to award a contract.

9.2 All Bidders are solely responsible for their costs and expenses incurred in connection with the preparation and submission of Bids and participation in this and all future stages of this procurement. Under no circumstances will the Authority be liable for any costs or expenses borne by Bidders or any of its supply chain, partners or advisers in this procurement process.

10 THE AUTHORITY'S RIGHT TO REJECT BIDS

10.1 The Authority reserves the right to reject or disqualify a Bidder and/or any of its Consortium Members at any time during the procurement procedure where:

- 10.1.1 a Bid is submitted late, is completed incorrectly, is materially incomplete or fails to meet the Authority's submission requirements which have been notified to the relevant Bidder;
- 10.1.2 the Bidder and/or any of its Consortium Members are unable to satisfy the terms of Regulation 38(8) to 38(25) of the Concession Contracts Regulations 2016 at any stage during the tender process;
- 10.1.3 the Bidder and/or its Consortium Members are guilty of material misrepresentation in relation to its application and/or the process (including but not limited to the SQ selection stage of the competition);
- 10.1.4 the Bidder and/or its Consortium Members contravene any of the terms and conditions of this ITCD; or

- 10.1.5 there is a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the Bidder and/or its Consortium Members.
- 10.2 The disqualification of a Bidder will not prejudice any other civil remedy available to the Authority and will not prejudice any criminal liability that such conduct by a Bidder may attract.
- 10.3 The Authority reserves the right to require Bidders at any moment during the procurement procedure to submit all or any of the supporting documents (or to supplement or clarify certificates received) where it is necessary to ensure the proper conduct of the procurement procedure for the purposes of:
 - 10.3.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38(25) of the Concession Contracts Regulations 2016; and/or
 - 10.3.2 establishing whether the Bidder meets (or continues to meet) the relevant SQ selection criteria relating to economic and financial standing; and/or technical and professional ability; and/or
 - 10.3.3 establishing whether the Bidder fulfils (or continues to fulfil) the rules and criteria for reducing the number of Bidders being invited to the Competitive Dialogue tender stages of the competition.
- 10.4 Furthermore, before awarding the contract, the Authority reserves the right to require the Preferred Bidder to submit up-to-date supporting documents (or to supplement or clarify certificates received) for the purposes of:
 - 10.4.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38 (25) of the Concession Contracts Regulations 2016; and/or
 - 10.4.2 establishing the continued fulfilment of the SQ stage selection criteria and requirements (including where relevant the continued possession or attainment of quality assurance standards and environmental management standards (or evidence of their equivalents)).

11 BIDDER CHANGES TO CONSORTIUM MEMBERSHIP

- 11.1 The Consortium Members of any Bidder and the principal relationships between Consortium Members may not be changed in relation to this procurement process unless the Authority's prior consent has been given, and subject to:
 - 11.1.1 any replacement Consortium Member being satisfactorily pre-qualified by the Authority; and
 - 11.1.2 any other condition which the Authority may specify having been met.
- 11.2 The Authority reserves the right, at its absolute discretion, to refuse to allow any change in the Consortium Members of any Bidder and/or the principle relationships between Consortium Members.
- 11.3 The Authority reserves the right, at its absolute discretion, not to consider any Bid where there is a change in the Consortium Members of any Bidder and/or the principal relationships between Consortium Members.

12 GOVERNING LAW

- 12.1 All negotiations will be conducted, and all documents and Bids will be prepared, in the English language. The negotiations and all subsequent contracts negotiated will be subject to English law and the exclusive jurisdiction of the English courts.

13 ACCEPTANCE OF BIDS

- 13.1 Bidders are reminded that no offer or Bid is deemed accepted until the relevant contractual documents have been duly signed on behalf of the Authority, the successful Bidder and all other relevant parties and declared unconditional. No dialogue or communication with the Authority, whether prior to or after the commencement of the ITCD stage, up to and including any notification of the Preferred Bidder award decision commencing the standstill period, shall imply acceptance of any offer or constitute an indication that the Bidder will be awarded the contract.
- 13.2 Please note that only the express terms of any written contract which is finally agreed between the Authority and the successful Bidder and which is duly declared unconditional shall have any contractual effect.

APPENDIX 2

QUALITY AND FINANCIAL QUESTIONS BIDDERS ARE REQUIRED TO ANSWER AT THE ISFT FINAL TENDER SUBMISSION STAGE

1. PARTNERING

Criteria 1 – Partnering
Q.1.1 – Joint Venture Leadership Management and Partnership Working (Scored 0-10)
<p>Clear accountability and key personnel availability are key criteria for a successful partnership working.</p> <p>Please outline your leadership and management structure including proposed JV Board Directors and the senior management team operating the JV.</p> <p>The key points of contact, and roles and responsibilities for individuals proposed (including an Organogram and CVs of key personnel setting out their relevant experience) should be included as part of your response.</p> <p>The Authority is seeking a JV partner that will deal with issues in a proactive and responsive manner with a single point of contact for operational delivery and accountability. Should issues arise during the joint venture please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p><i>There are no word limits to the Final Tender responses to this question.</i></p>

Criteria 1 – Partnering
Q.1.2 – Joint Venture Resourcing (Scored 0-10)
<p>The JV staffing and resource plan should be submitted to set out the staffing and resourcing to be provided by the Partner; resource that would have to be externally sourced through the Partner's supply chain; as well as any resource that the Authority would be expected to provide towards achieving the optimal resourcing structure. This may involve both specific resources to be put in place as well as resourcing methodology and approach to secure support to meet the needs of the JV.</p> <p>The resource plan for the JV should seek to demonstrate that the Partner has a proposal with robust capacity, competency and management structures to deliver the range of services and objectives as defined below whilst being balanced with efficiency and adaptability in meeting demand.</p> <p>The resource plan should address the following range of services and objectives:</p> <ul style="list-style-type: none">• design• planning• marketing sales & sales• supply-chain procurement• development and construction management function• finance and treasury management <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

2. CONSTRUCTION PROGRAMME DELIVERY

Criteria 2 – Construction Programme Delivery
Q.2.1 – Supply-Chain Selection, Co-ordination and Management (Scored 0-10)
<p>The partnership will involve delivering construction at multiple sites over the duration of the joint venture.</p> <p>Please provide details of how you will appoint, manage and co-ordinate the construction supply-chain to deliver development across the sites that will demonstrate:</p> <ul style="list-style-type: none"> • Processes for effective needs assessment and planning of supply-chain requirements • High quality standards in the contractors and suppliers appointed for site developments and across the development programme • Efficiencies in your procurement approach to deliver initial and ongoing value for money for each site development and across the development programme • Effective monitoring, reporting and management of supply-chain performance. Cost-control and quality assurance • Rigorous inspection regimes, sub-contractor induction, monitoring and vetting, the supply chain's ability to deliver resilience and contingency measures. • Processes in place to ensure supply-chain resilience and contingency measures • Communications, logistics and management processes to be able to effectively co-ordinate the supply-chain to deliver the site programmes to timetable. <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.2 – Construction Project Management (Scored 0-10)
<p>The construction phases of site development will require the Partner to provide effective construction project management. This should demonstrate day to day accountability for on-site process for scheme progress and managing project risks.</p> <p>Please outline your processes and procedures that your day-to-day project manager will put in place to keep the Authority informed on a regular basis.</p> <p>Should issues arise during the construction stages please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p>Your response provided should seek to demonstrate:</p> <ul style="list-style-type: none"> • proactive approach to managing delivery and issues arising • manage day to day operational delivery effectively • reporting systems and client engagement mechanisms you propose to adopt to ensure that the Authority is made aware at the earliest opportunity of relevant issues or problems affecting programme, cost or quality <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.3 Construction Health and Safety Approach and Measures (Scored 0-10)
<p>Please provide details of the approach and measures you will implement to ensure effective health and safety measures are put in place for the protection of contractor staff and the public during construction.</p> <p>Your response should seek to demonstrate:</p> <ul style="list-style-type: none"> • your approach to contingency advance planning to prepare for health and safety hazards, incidents and emergencies which may occur on site • how you assess and identify for each site health and safety risks (and possible emerging risk on an on-going basis) in operating in the site and resource appropriate measures accordingly; • Your communications plan in respect of emerging or actual health and safety incidents which enables your organisation to respond promptly to the health and safety issues; mobilise and co-ordinate contingencies measures; and to keep the Authority informed. • Your strategy and methodology in dealing with arising incidents on site in order to ensure health and safety incidents do not impact on the overall project timescales. <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.4 Minimising Construction Energy, Water and Waste (Scored 0-10)
<p>Please provide details of your approach and measures that you will implement to minimise the amount of energy, water and waste produced in delivering the programme of construction under the joint venture. Your response should describe measures in relation to performing construction services for the Authority as well as materials used during construction.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

3. MARKET POSITIONING

Criteria 3 – Market Positioning

Q.3.1 –Market Positioning (Scored 0-10)

Please provide your approach to Sales & Marketing across the programme of sites. Your response should include details of:

- Your approach and methodology for assessing demand for types of homes in each area
- Examples of specific design approaches and place-making interventions you consider appropriate for inclusion in these development sites
- Your analysis of growth / value uplift opportunities across the 12 sites
- How you will co-ordinate with other advisors and intermediaries to support and facilitate the transfer of assets
- How you will maximise value for the sale of developed assets
- The marketing you propose to carry out for the development to secure potential purchasers
- The resourcing you propose to deploy to deliver that plan
- Your projected rate of sale and reasons supporting those projections
- Your strategy for maximising value from sales and reasons supporting the effectiveness of that approach

There are no word limits for the Final Tender responses to this question.

4. SAMPLE PACKAGE SCHEME DEVELOPMENT PROPOSALS

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.1 Development 1 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 1 (comprising of the Waterloo Estate site and the Queen Street site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix 5. Planning opportunities and constraints 6. Summary accommodation schedule with tenure, building types, gross and net residential areas 7. Plan to increase local biodiversity with planting and wildlife areas in developing the sites. <p>NB Please refer to benchmark specifications supplied with this ITCD</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.2 Development 2 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 2 (comprising of the Napier House and New Plymouth House site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix 5. Planning opportunities and constraints 6. Summary accommodation schedule with tenure, building types, gross and net residential areas 7. Plan to increase local biodiversity with planting and wildlife areas in developing the site. <p>NB Please refer to benchmark specifications supplied with this ITCD</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.3 Development 3 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 3 (comprising of the Serena, Solar and Sunrise site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market

4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix
5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the site.

Please note that the entirety of this site will be retirement accommodation.

NB Please refer to benchmark specifications supplied with this ITCD

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.4 Stakeholder Engagement and Communication (Scored 0-10)

Please provide details of the stakeholder engagement and consultation and communications plan you intend to put in place in relation to developing the Sample Package Scheme Development Proposals. Your response should provide a timetable and resourcing plan to carry out the consultation and programme of communications.

The proposals should set out:

- an effective plan to identify relevant Stakeholders in relation to the 3 Developments of the Sample Package Scheme and schedule accessible consultation opportunities for them to participate in
- the information that the consultation process would seek to identify relevant to the 3 Developments of the Sample Package Scheme and the reasons it is important for the successful delivery of the scheme
- how the consultation information will be collated, provided and presented to the Authority
- how you would work with the authority to address issues anticipated to result from the consultation exercise
- the communications programmes and events that would be deployed during and on completion of each and all of the 3 Developments of the Sample Package Scheme development to promote projects to Stakeholders and the community.

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.5 Programme (Scored 0-10)

Please provide a high-level programme for the delivery of the Sample Package Scheme Development Proposals.

The Programme should:

- Show all key work stages for each of the 3 Developments
- Show all key milestones for each of the 3 Developments

The Programme should be supported by a commentary explaining how those key milestones are properly

resourced and deliverable to provide confidence that the Sample Package Scheme Development Proposals will be delivered on time. The commentary should also provide details of contingency and business continuity measures that will be put in place to ensure the resilience of the proposed programme.

There are no word limits for the Final Tender responses to this question.

5. ADDITIONAL SITES

Criteria 5 – Sample Package Scheme Development Proposals
Q.5.1 Additional Sites Strategy (Scored 0-10)
<p>The joint venture commencement programme will be to deliver the development across the 12 initial sites. However, the joint venture will also need to have a strategy to seek and realise housing led development commercial opportunities beyond the development of these 12 initial sites.</p> <p>Please provide details of your overview approach, business plan and strategy in relation to future opportunities within the Borough of Havering over the duration of the arrangements beyond the development of these 12 initial sites. This may include (but is not limited to) strategic review and financial appraisals of other existing Authority sites for commercial development as well as further potential land assembly and acquisition opportunities to be jointly invested in and realised through the Joint Venture.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

6. SOCIAL VALUE

Criteria 6 – Social Value
Q.6.1 Social Value Proposal (Scored 0-10)
<p>The Partner will be operating within the Borough over the long term and will be expected to apply its skills and ability to contribute towards the strategic social and economic development and regeneration of the area.</p> <p>The Authority is committed to delivery of social value linked to the development and regeneration of the sites. The Authority is looking to the Partner to drive benefits in terms of:</p> <ul style="list-style-type: none">• Providing apprenticeships and other skills development, work experience and opportunity access programmes to be provided in the Borough to secure skills to support the delivery of development programme and leave a legacy of workforce investment. The details of commitments, the quality and duration of the training programmes and support proposed should be included.• Offering curriculum support to schools with contractors sharing knowledge and expertise about their discipline.• Creating supply chain opportunities for SMEs and social enterprises.• Supporting initiatives like targeting hard to reach groups and offering training opportunities.• Investing in delivering facilities such as libraries and leisure facilities to communities and making them available for community use. <p>The deliverability of your proposal may be illustrated by relevant examples of social value in past projects. The Authority will be assessing the quality of the proposal and also the level of clear formal commitments, inputs and outputs put forward.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

7. LEGAL AND COMMERCIAL

Criteria 6 – Legal
Q.7.1 Acceptance of Contractual Documents
<p>Bidders are required to submit a mark-up (with supporting commentary and reasoning to explain changes) to the contractual documents consisting of the Members Agreement and the Development Agreement.</p> <p>The final mark-up submitted as part of the Final Tender should reflect the positions agreed with the Authority at the conclusion of the dialogue stage.</p>

APPENDIX 3

FINANCIAL CRITERIA EVALUATION METHODOLOGY

Criteria 8 Financial Proposals

For the Final Tender evaluation the Financial Proposal will be an assessment of the Form of Tender put forward by the Bidder in accordance with the requirements of Appendix 4.

The financial model will be assessed in terms of the robustness and credibility of the assumptions, and the financial offer being made. The following scoring methodology will be used to assess bids:

Criteria	Formula	Max Score	Bidder 1	Bidder 2	Bidder 3	Highest Offer
Robustness and Credibility	Evaluation	10.00	8.00	8.00	5.00	8.00
Surplus	As submitted		1,000,000	1,200,000	2,000,000	2,000,000
Council Share of Surplus	As submitted		45%	50%	40%	50%
Potential surplus to Council	Bidder RLV x Council Share		450,000	600,000	800,000	800,000
Weighted surplus to Council	Bidder RLV x Council Share x Robustness Factor		360,000	480,000	400,000	480,000
Total	Bidder Weighted Surplus to Council/Highest Weighted Surplus to Council x 20		15.0	20.0	16.6	

The Authority is seeking financial offers that are considered to be deliverable, and therefore credibility and robustness will be scored 0-10 as follows:

ITCD FINANCIAL EVALUATION - ROBUSTNESS SCORING MATRIX		
SCORE	COMMENTARY	
	CONFIDENCE IN ASSUMPTIONS	RISK TO DELIVERABILITY
0	No information provided so unable to score	
1	Extremely low	Extremely high

2	Very low	Very high
3	Low	High
4	Moderately low	Moderately high
5	Moderate	Moderate
6	Moderately high	Moderately low
7	High	Low
8	Very high	Very Low
9	Extremely high	Extremely Low
10	Fully robust and credible	

In evaluating credibility and robustness of the financial submission the financial model and commentary supplied by bidders will be assessed with the following factors considered:

- Build costs
- Overheads, finance costs & profit
- Allowances made for abnormals, risk and other cost items
- Sales values and income assumptions, including capital values and timing of income generation
- Programme durations

APPENDIX 4

FINANCIAL SUBMISSION FORM OF TENDER

For the purposes of the Final Tender evaluation, the Financial Submission will consist of a business plan model for the three sample sites. Responses should comprise:

1. Please provide a **live financial model** in Excel format showing the financial appraisal of the three sample Developments (covering the 4 sites). The model should demonstrate all key elements including:

REVENUES

Residential Affordable (an average offer price of £172,000 per plot for the affordable rented units, and 40% of open market value (the sales receipt at point of sale) for any shared ownership units)

Residential Market

Non-residential uses

Ground rents

NB Please refer to benchmark specifications supplied with this ITCD (document titled *LB Havering Specification for Regeneration Scheme 8th Sept 2017*) in arriving at your scheme revenues

EXPENDITURES

Professional fees

CIL / S106 (at a fixed value to be confirmed by the Authority)

Construction broken down into buildings, externals, abnormals, OHP

Finance

PROGRAMME

Overall phasing

Site by site periods for pre-construction, construction and sales/lettings

Cashflow for each site and consolidated

OUTPUTS

Residual land value

Distribution of returns to the JV partners

SENSITIVITY ANALYSIS

Demonstrating scenarios where viability cannot be achieved

All business plan inputs should be on the basis of current values and current costs.

2. In addition to your own financial model we have provided a series of **summary sheets** that should be populated with data from your model. Instructions for completion of the summary sheets are included within the Excel file.

3. The Financial Model and Summary Sheets should also be accompanied by a **commentary** including explanation of your approach to:

- Key development appraisal assumptions
- The set up period of the Joint Venture
- An outline of how you intend to fund the Joint Venture
- The phasing of individual sites
- Balancing maximising development value and development output over the duration of the partnership including the market indicators and factors that would influence your choice of timing of the sequence of development of specific sites
- Achieving financing and sales efficiencies in the development site sequencing
- Integrating more commercially challenging sites or more difficult to develop sites into the programme as early as possible in a deliverable and financially sustainable way
- Your proposed structure for returns to the JV partners

There are no word limits for the Final Tender commentary response to this question.

APPENDIX 5

HEADS OF TERMS AND CONTRACTS

The Heads of Terms are included in the procurement documents available electronically through <https://www.capitalesourcing.com/web/login.shtml>

Other project documents are also included in the procurement documents available electronically through <https://www.capitalesourcing.com/web/login.shtml>

APPENDIX 6

GLOSSARY OF TERMS

The capitalised words and expressions in this ITCD have the meanings set out below unless the context specifically requires otherwise. References to the singular include the plural and vice versa.

"Advisers"

means all professional advisers of the Authority involved in the procurement of the Project

"Bid"

means each of the written proposals submitted by a Bidder as part of this procurement process at any stage of the procurement

"Bidders"

means individuals and/or organisations to whom this ITCD has been issued by the Authority

"Concession Documents"

means any document issued by the Authority as part of this procurement process

"Confidential Information"

means all information designated as confidential and disclosed to the Bidders by the Authority or its Advisers in order for them to formulate and prepare their Bid; or which may be supplied by the Authority or its Advisers at a future date (whether in written or visual format or otherwise)

"Consortium"

means either an entity which is to be formed by a group of Organisations or a group of Organisations acting jointly as the Bidder

"Consortium Member"

means where the Bidder is a consortium, any individual economic operator forming part of that consortium

"Final Tenders" the Bid submitted in responses to the ISFT

"Organisation"

means a sole trader, partnership, limited partnership, limited liability partnership, co-operative or company and any analogous entity established inside or outside the UK and should be interpreted accordingly

"Preferred Bidder"

means the Bidder which has been assessed by the Authority as having the most economically advantageous Final Tender

APPENDIX 7
CERTIFICATES

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON- COLLUSION

In the case of a Consortium, each Consortium Member must complete and return this Certificate.

To the London Borough of Havering (“the Authority”)

The essence of the public procurement process is that the Authority shall receive bona fide competitive Tenders from all Bidders. In recognition of this principle I/We certify that this is a bona fide Tender, intended to be competitive and that I/we have not fixed or adjusted the amount of the Tender or the rates, financial responses and prices quoted by or under or in accordance with any agreement or arrangement with any other party.

I/We also certify that I/we have not done and undertake that I/we will not do at any time any of the following acts:

- a) communicate to a party other than the Authority the amount or approximate amount of my/our proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of the Tender);
- b) enter into any agreement or arrangement with any other party that he shall refrain from tendering or as to the amount of any Tender to be submitted;
- c) offer or agree to pay or give or pay or give any sum of money inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused any act or omission to be done in relation to any other tender or the proposed Tender; or
- d) enters into any type of agreement or arrangement with any other party aimed at distorting the outcome of the competition

In this Certificate:

- the word “person” includes any person, body or association, corporate or incorporate
- the phrase “any agreement or arrangement” includes any transaction, formal or informal whether legally binding or not.
- the word “Tender” includes all tender submissions including ITPD submissions, Final Tender submissions together with associated clarifications provided by the Bidder

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON - CANVASSING

In the case of a Consortium, each Consortium Member must complete and return this Certificate.

To London Borough of Havering ("the Authority")

I/We hereby certify that I/we have not in connection with the award of the contract for the project or any other proposed contract for Havering Estate Regeneration Partner Project

- canvassed any member, employee, agent of the Authority
- undertaken to unduly influence the decision-making process of the Authority
- undertaken to obtain confidential information that could confer upon an undue advantage in the award of the contract

and that no person employed by me/us or acting on my/our behalf has done any such act.

I/We further hereby undertake that I/we will not in the future do or seek to do the prohibited acts referred to above and that no person employed by me/us or acting on my/our behalf will do any such act.

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

London Borough of Havering

INVITATION TO SUBMIT FINAL TENDERS (“ISFT”)

Havering Estate Regeneration Partner Project

IMPORTANT NOTICES

This Invitation to Submit Final Tenders (ISFT) has been prepared by the London Borough of Havering (of the Town Hall, Main Road, Romford, RM1 3BD) ("**the Authority**") and is for use by those invited to bid for the Havering Estate Regeneration Partner Project, their professional advisers, and other parties essential to preparing the bid for the project and for no other purpose.

You are deemed to fully understand the process that the Authority is required to follow under relevant European and UK legislation, particularly in relation to public procurement rules.

Bidders' attention is drawn to the further notices set out in **Appendix 1 (Important Notices)** which form part of the conditions of participation in this procurement process.

1 INTRODUCTION

General

- 1.1 Thank you for participating in competitive dialogue in relation to the call for competition advertisement placed in the Official Journal of the European Union with reference number 2017/S 094-185114.¹
- 1.2 Three bidders, including your organisation, have been invited to submit final tenders. This Invitation to Submit Final Tenders document ("ISFT") provides further details of the process.
- 1.3 The three bidders invited to submit Final Tenders are:



[REDACTED]

Competitive Dialogue

- 1.4 This procurement is to achieve the selection of a provider to partner with the Authority to form a long term corporate joint venture property vehicle (on a 50:50 ownership basis) to secure investment and expertise to deliver the Authority's HRA housing led regeneration strategy ("the Project").
- 1.5 The Authority is procuring the Project using an approach similar to the competitive dialogue procedure (as described in Regulation 30 of the Public Contracts Regulations 2015 (as amended)), which provides the opportunity for a structured approach to procurement. The Authority reserves the right to deviate from the formalities of the Public Contracts Regulations 2015 (as amended) in conducting the competition due to the flexibilities permitted by the Concession Contracts Regulations 2016.
- 1.6 The ISFT aims to:
 - provide information to Bidders on the Project and the opportunities available;
 - set out clearly the Authority's requirements;
 - provide information on the Authority's approach to the competitive dialogue procurement process;
 - set out the deliverables required from Bidders at the final stage of the procurement; and
 - set out the evaluation criteria that the Authority will use to assess Bidders' Final Tender responses.
- 1.7 Details of the submission deadline for Final Tenders can be found in **Section 3** below.

¹

<http://ted.europa.eu/udl?uri=TED:NOTICE:185114-2017:TEXT:EN:HTML>

- 1.8 The issue of the ISFT is an invitation to Bidders to submit Final Tenders. The questions that Bidders are required to answer are set out in **Appendix 2 (Quality Questions)** and **Appendix 4 (Financial Submissions)** to this document.
- 1.9 The evaluation criteria against which Bid responses will be assessed and the evaluation methodology applied is provided in **Section 4** below.
- 1.10 Final Tenders should be based on the solution(s) presented and specified at the conclusion of the dialogue, contain all the elements required and necessary for the performance of the project and should meet all the Authority's requirements. **Final Tenders are expected to be final as there is limited opportunity to vary tenders after submission.** However, the Authority may request Bidders to clarify, specify or optimise their tender. Any activity which leads to changes to a Bid must not change the basic features and essential aspects of a Bid, the requirements of this ISFT or distort competition.
- 1.11 **Bidders are reminded to review all clarifications issued through the portal to ensure that clarification messages from the Authority are taken account of in their Final Tenders.**
- 1.12 Following the submission of Final Tenders, the Authority expects to undertake a process to identify a Preferred Bidder that provides the most economically advantageous tender which the Authority is minded to appoint.
- 1.13 Prior to selection of a Preferred Bidder, the Authority will have to obtain approval from the Cabinet of the Council. On approval, a Preferred Bidder will be appointed and a Preferred Bidder letter issued inviting the Preferred Bidder to work with the Authority to finalise the contractual arrangements to deliver the Project.
- 1.14 Following appointment of a Preferred Bidder there is a further opportunity to negotiate to confirm commitments contained in the tender in order finalise terms provided, again, that there are no substantial changes to the tender, the requirements of the procurement process and that this does not risk distorting competition or causing discrimination.
- 1.15 The Authority reserves the right to vary the selection procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance.

2 NEEDS AND REQUIREMENTS FOR THE PROJECT

Overview

- 2.1 The Project involves delivering the following:
 - 2.1.1 The Authority's HRA housing led regeneration strategy. The initial programme is anticipated to involve 12 sites across the borough delivering in the region of 3000 new homes and the scheme will involve opportunities for development sales. The opportunity will focus on Authority owned sites throughout the borough (including but not limited to the initial 12 sites) and potentially other sites owned or acquired by the Authority (including through the Joint Venture) during the joint venture period. The Joint Venture will focus on delivering housing led

development within the borough for the commercial private sale sector, shared ownership and affordable housing.

- 2.1.2 The housing led development of sites may also involve a degree of mixed-use development including, but not limited to office, commercial, leisure, retail, community and public realm space being delivered ancillary to the residential focus and as part of the overall complex.

The initial 12 sites are as follows:

The Initial 12 Sites		
Ref.	Site	Area
1	Waterloo Estate	Romford
2	Queen Street	Romford
3	Oldchurch Gardens	Romford
4	Serena, Solar and Sunrise	Hornchurch
5	Maygreen Crescent, Park Lane	Hornchurch
6	Dell Court	Hornchurch
7	Royal Jubilee Court	Gidea Park
8	Napier House and New Plymouth House	Rainham
9	Delderfield House	Romford/Cranham
10	Brunswick Court	Romford/Cranham
11	Chippenham Road, Farnham Road, Hildene Avenue	Harold Hill/Gidea Park
12	Delta TMO Estate	Harold Hill/Gidea Park

- 2.1.3 The priority sites are those which comprise the Sample Package Scheme of 4 sites (divided into 3 Developments) which will consist of:

Sample Package Scheme Sites		
Ref.	Site	Development
1	Waterloo Estate	Development 1
2	Queen Street	
3	Napier House and New Plymouth House	Development 2
4	Serena, Solar and Sunrise	Development 3

- 2.1.4 In connection with the delivery of these and other future housing schemes, the partner will be required to provide services including master planning; strategic development consultancy advice; environmental consultancy advice; technical and building services; architectural design; urban design and landscaping; physical construction and development; land assembly; possible refurbishment of assets and marketing and disposal of development assets.

- 2.2 The Project's key needs and requirements are set out in:

- 2.2.1 the Contracts referred to in **Appendix 5 (Contracts)**;
- 2.2.2 the Memorandum of Information; and
- 2.2.3 all other documents on the portal should also be referred to in order to gain an overview of the Project's needs and requirements.

- 2.3 These documents are included in the Concession Documents available electronically through Capital e-sourcing
<https://www.capitalesourcing.com/web/login.shtml>

3 TIMEFRAME AND PROCESS

Indicative Project Timeframe

- 3.1 The table below sets out the key dates in the procurement process. At this stage, the timetable is subject to confirmation and the Authority reserves the right to amend this indicative timeframe as the project progresses.

Indicative Date	Stage
24.11.2017	End of Competitive Dialogue stage and issue of Invitation to Submit Final Tenders (“ISFT”).
24.11.2017 – 04.12.2017	Period for remaining bidders to finalise tenders.
29.11.2017 17:00 hours	Deadline for ISFT clarification questions from shortlisted bidders
07.12.2017 13:00 hours	Deadline for return of Final Tenders.
07.12.2017 – 18.12.2017	Clarifications and evaluation of Final Tenders.
18.12.2017 – 17.01.2018	Authority internal approval process for Preferred Bidder appointment. Period for confirming commitments of the Preferred Bidder's Final Tender and finalising the terms of the contract and the Authority's internal approvals for reaching a contract award decision and referral onto Full Council for the funding arrangements.
17.01.2017	Notification to Cabinet of the Authority's final contract award decision in respect of the Preferred Bidder.
25.01.17	Issue of contract award notifications and debriefing information to unsuccessful participants commencing the 10-day standstill period.
6.02.2018	Expiry of standstill period.

<i>To be confirmed</i>	Contract close with successful Bidder.
<i>To be confirmed</i>	Appointed provider to start on the property development

Members Agreement and Draft Development Agreement

- 3.1.1 A final mark-up of the Members Agreement and Draft Development Agreement is required to be submitted as part of the Final Tenders and such final mark-up should reflect the positions agreed with the Authority at the conclusion of the dialogue stage.

Concession Documents

- 3.2 The Concession Documents consist of:

- 3.2.1 The Concession Notice
- 3.2.2 The Selection Questionnaire
- 3.2.3 The Memorandum of Information
- 3.2.4 The Heads of Terms
- 3.2.5 The Invitation to Participate in Dialogue
- 3.2.6 LBH Final Tender Summary Sheets Financial Proforma
- 3.2.7 Programme and meeting dates
- 3.2.8 Site specific briefs
 - a. Napier and New Plymouth site brief
 - b. Solar Serena Sunrise site brief
 - c. Waterloo Estate and Queen Street site brief
- 3.2.9 Red line plans
 - a. Napier and New Plymouth redline plan
 - b. Serena Solar Sunrise redline plan
 - c. Waterloo redline plan

Additional documents made available at this ISFT stage include:

- 3.2.10 Draft Members Agreement
- 3.2.11 Draft Development Agreement
- 3.2.12 Draft Development Management Agreement
- 3.2.12 Benchmark Specification (*LB Havering Specification for Regeneration Scheme 8th Sept 2017*)
- 3.2.13 Clarification log

Bidders should note that the Members Agreement and Development Agreement have been subject to further updates (including Schedules) during the competitive dialogue period.

- 3.3 These documents are included in the Concession Documents available electronically through Capital e-sourcing
<https://www.capitalesourcing.com/web/login.shtml>

Final Tender Submission

- 3.4 Bidders should present their responses as per the instructions below.
- All responses should be in English, text submitted in A4, with a font size of Arial 12 and any financial references should be in Pounds Sterling.
 - Completed responses should be signed by a partner or director of the Bidder.
 - Bidders are required to submit completed responses in electronic format only and submitted via <https://www.capitalesourcing.com/web/login.shtml>
 - The Authority reserves the right, at its discretion, to reject Bids delivered after the date and time specified. Please see **Appendix 1 (Important Notices)**.
 - The Authority reserves the right, at its discretion, to request clarifications in writing or further relevant information from any bidder after the submission of responses.

Ongoing Questions

- 3.5 Any queries arising from this ISFT and the Concession Documents provided which may have a bearing on the Final Tender submissions to be made by Bidders should be raised.
- 3.6 All queries in relation to the ISFT stage of this procurement must be made via the clarifications process through <https://www.capitalesourcing.com/web/login.shtml> by no later than **29th November 2017 at 17:00 hours**. The Authority reserves the right not to respond to clarifications in respect of the ISFT stage submitted after this period.
- 3.7 Where the Authority considers that questions are material to the procurement process and the fullest understanding of its objectives, these questions and their subsequent replies will be disseminated to all Bidders. The Authority will keep confidential all information relating to its dialogue in relation to Bidders' proposals and will not share this information with any other Bidder.
- 3.8 Bidders should note, in relation to all responses to questions that the Authority and its advisers offer no guarantee that such information in response to questions will be made available at this stage and are not warranting the accuracy of any responses.

Confidentiality and Freedom of Information

- 3.9 The Authority acknowledges the need during the competitive dialogue to treat Bidder's solutions confidentially. If during the process any questions asked of or information provided to the Authority is considered by the Bidder to be confidential, the request must be clearly marked "in confidence – not to be circulated to other

bidders” and Bidders must set out the reason(s) for the request for non-disclosure to other Bidders.

- 3.10 The Authority will consider such requests and will act reasonably as regards the protection of commercially sensitive information relating to the Bidders but will have sole discretion as to such disclosure, subject to complying with the Authority’s duties under the Freedom of Information Act (2000) and the Environmental Information Regulations (2004).

Return of Certificates

- 3.11 The Authority requires Bidders to make certain undertakings if they wish to remain in the competition. These undertakings include signing the following documents, which must be completed and submitted by uploading electronically via <https://www.capitalesourcing.com/web/login.shtml> at Final Tender stage. Copies of the certificates are provided in **Appendix 7**

- Certificate of Non-Canvassing
- Certificate of Non-Collusive Tendering

4 EVALUATION

This section sets out the evaluation criteria and selection process against which Final Tenders will be assessed.

Bidders are required to respond to each of the questions set out in **Appendix 2 (Quality Questions)** and complete in full the requirements in **Appendix 4 (Financial Submission)** for the Final Tender Submission.

4.1 Compliance

4.1.1 Prior to carrying out the detailed scoring of Bids, an assessment of the Bidders' responses to the Bid deliverables at each stage of the procurement will be made to ensure that sufficient information at the required standard has been provided as requested. Bids which are substantially incomplete or which are non-compliant with the requirements set out in this ISFT may be rejected.

4.1.2 The Authority reserves the right to call for information from Bidders to amplify and clarify their Bid responses.

4.2 Evaluation Methodology

4.2.1 Following compliance checks, each Bid will be evaluated and scored against the evaluation criteria and weightings set out in this Section below and Bidders ranked in line with their scores.

4.3 Evaluation Criteria and Weightings

4.3.1 The evaluation criteria and weightings that will be applied by the Authority for the Final Tender evaluation of the competitive dialogue procedure are shown in **Table 1** below.

4.3.2 The detailed evaluation criteria (and sub-criteria) and weightings that will be applied by the Authority when evaluating the Final Tender are shown in **Table 2** below.

4.3.3 The Authority reserves the right to update and refine the quality questions (**Appendix 2**) and sub-criteria as well as the Financial Evaluation approach, methodology and sub-criteria (**Appendix 3 and Appendix 4**) for the ISFT stage of the Competitive Dialogue process.

4.4 Scoring

4.4.1 In this competitive dialogue competition process, the Bids will be assessed on the basis of the most economically advantageous tender.

4.4.2 The scoring of Bids will be based on a detailed analysis of the responses in for criteria in accordance with the methodology below.

Quality Criteria

- 4.4.3 In relation to the Quality criteria (and sub-criteria) each question will be scored in application of the following scoring scale:

QUALITY SCORING SCALE	
Score	Commentary
0	Very weak or no answer
1	Weak – well below expectations
2	Poor - well below expectations
3	Poor - below expectations
4	Satisfactory but slightly below expectations
5	Meets expectations
6	Slightly exceeds expectations
7	Good - well above expectations
8	Very good
9	Outstanding
10	Exceptional

- 4.4.4 In applying the scoring scale, each Bid will be evaluated according to its quality and deliverability. The term 'quality' in this context refers to performance and fitness for purpose of the proposal and therefore covers any aspect of a submission that affects the performance of the contract. 'Deliverability' refers to the likelihood that all aspects of a particular submission could in fact be delivered by the Bidder concerned.
- 4.4.5 The Quality Criteria (Criteria 1 to 6 and sub-criteria questions) remain the substantially the same at ISFT as they did at ITCD although there have been some minor amendments. Bidders should review the details of this ISFT in finalising their Bids. The Authority is expecting Bidders to submit their revised proposals that have been developed through the final stage of dialogue.
- 4.4.6 In responding to the Quality Criteria bidders are encouraged to make their responses specific to this venture and to the London Borough of Havering. This is the final opportunity for Bidders to put forward specific proposals as to how they will deliver this venture.

Legal & Commercial Criteria

Bidders should note that the Legal & Commercial Criteria has been adapted and updated from the ITCD to take into account of the evaluation of proposals and commitments as well as amendments to the contractual documents.

4.4.7 Evaluation of all amendments to the contractual documents consisting of:

- Draft Members Agreement
- Draft Development Agreement
- Draft Development Management Agreement
- Build Licence (or alternatively a building lease proposed by the Bidder which should aim to reflect the risk transfer of the Build Licence)

proposed in a Bidder's submission shall take into account the overall impact of a number of factors including:

- (i) the degree of acceptance of the terms of the contractual documents and where amendments are made to the terms whether the allocation of risk in respect of the project is beneficial or detrimental to the Authority; and
- (ii) where proposals and commitments are put forward in respect of the contractual documents whether it is beneficial or detrimental to the Authority.

4.4.8 The assessment of the contractual documents will be given a raw score of between zero and five, this raw score will then be applied to the weighting for the Legal & Commercial Criteria.

4.4.9 Amendments, proposals and commitments will be evaluated and allocated a score by reference to the degree to which such provisions conform to the provisions of the contract and the risk allocation reflected therein as well the overall benefit or detriment of the overall response.

4.4.10 A Bidder's score may result from a single amendment, proposal and/or commitment or a combination of amendments, proposals and/or commitments as to its assessed overall impact.

4.4.11 The scoring methodology is set out below.

LEGAL & COMMERCIAL SCORING SCALE	
Score	Meaning
5	Amendments, proposals and commitments overall giving rise to added value for the Authority: proposed amendments, proposals and commitments are overall very or wholly advantageous to the Authority and will bring significant benefits to the Authority with persuasive reasoning and identification of benefits provided to support derogations.

4	Amendments, proposals and commitments overall moderately advantageous for the Authority: proposed amendments, proposals and commitments are overall moderately advantageous to the Authority with reasoning & identification of benefits provided to support derogations.
3	Amendments, proposals and commitments overall meets expectations: the submission contains no or minor amendments with reasoning & identification of benefits provided to support derogations and this combined with the impact of proposals and commitments overall meets expectations.
2	Amendments, proposals and commitments overall moderately disadvantageous for the Authority: amendments do not meet the Authority's required risk position and are of moderate disadvantage to the Authority due to the number and/or seriousness of the derogations proposed and this combined with the impact of proposals and commitments is overall moderately disadvantageous to the Authority.
1	Amendments, proposals and Commitments overall detrimental to the Authority: amendments that do not meet the Authority's required risk position and are of major disadvantage to the Authority due to the number and/or seriousness of the derogations proposed and this combined with the impact of proposals and commitments is overall disadvantageous to the Authority.
0	Amendments, proposals and Commitments overall significantly detrimental to the Authority: amendments that do not meet the Authority's required risk position and are of major disadvantage to the Authority due to the number and/or seriousness of the derogations proposed and this combined with impact of proposals and commitments is overall significantly disadvantageous to the Authority.

- 4.4.12 The Authority reserves the right to disqualify any Bidder that scores 1 or below in the Legal & Commercial Scoring Scale for this element of their tender. A score of 1 or below would potentially place the Authority in a significant position of risk so this has been set as a threshold below which a bid may be deemed non-compliant.

Financial Criteria

- 4.4.13 The financial criteria will be scored by applying the methodology set out in **Appendix 3 (Financial Criteria Evaluation Methodology)** in respect of the financial proposals to responses provided by Bidders in their Financial Submissions in the format set out in **Appendix 4 (Financial Submissions)**.

Table 1: Evaluation Criteria and Weightings for the Final Tender Evaluation Stage

No.	Criteria	Weighting for Final Tender Evaluation (ISFT Stage)
1	Partnering	20%
2	Construction Programme Delivery	10%
3	Market Positioning	10%
4	Sample Package Scheme Development Proposals	20%
5	Additional Sites	2.5%
6	Social Value	7.5 %
7	Legal & Commercial	10%
8	Financial Proposals	20%

Table 2: Detailed Criteria and Weightings for Final Tender Evaluation

No.	Criteria	Criteria Weighting	Level 1 Sub-Criteria	Evaluation	Level 1 Sub-Criteria Weighting
1	Partnering	20%	Q.1.1 Joint Venture Leadership Management and Partnership Working	Scored 0-10	10%
			Q.1.2 Joint Venture Resourcing	Scored 0-10	10%
2	Construction Programme Delivery	10%	Q.2.1 Supply-Chain Selection, Co-ordination and Management	Scored 0-10	2.5%
			Q.2.2 Construction Project Management	Scored 0-10	2.5%
			Q.2.3 Construction Health and Safety Approach and Measures	Scored 0-10	2.5%
			Q.2.4 Minimising Construction Energy, Water and Waste	Scored 0-10	2.5%
3	Market Positioning	10%	Q.3.1 Market Positioning	Scored 0-10	10%
4	Sample Package Scheme Development Proposals	20%	Q.4.1 Development 1 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.2 Development 2 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.3 Development 3 Outline Master-Plan and Housing Design	Scored 0-10	5%
			Q.4.4 Sample Package Scheme Development Proposals - Stakeholder Engagement and Communication	Scored 0-10	2.5%
			Q.4.5 Sample Package Scheme Development Proposals – Construction Programme Plans	Scored 0-10	2.5%
5	Additional Sites	2.5%	Q.5.1 Additional sites	Scored 0-10	2.5%
6	Social Value	7.5%	Q.6.1 Social Value Proposal	Scored 0-10	7.5%
7	Legal & Commercial	10%	Q.7.1 Legal Documents Response	Scored 0-5	10%
8	Financial Proposals	20%	Q.8.1 Financial Model and Commentary (see Appendix 3 and Appendix 4)	Scored (see Appendix 3 and 4)	20%

APPENDIX 1

IMPORTANT NOTICES

1 CONFIDENTIALITY

- 1.1 The procurement process may involve the Authority providing Confidential Information to the Bidders. The Bidders shall at all times:
 - 1.1.1 treat all Confidential Information as confidential;
 - 1.1.2 not disclose, copy, reproduce, distribute or pass the Confidential Information to any other person at any time;
 - 1.1.3 not use the Confidential Information for any purpose other than for the purposes of making (or deciding whether to make) a Bid in relation to the Project ("Bid"); and
 - 1.1.4 comply with the provisions of paragraph 6 below (which contains restrictions on publicity activity within any section of the media or similar)
- 1.2 Bidders shall procure that, if it is a Consortium, each Consortium Member who receives any of the Information is made aware of, and complies with, the confidentiality obligations in this section.
- 1.3 Bidders may disclose, distribute or pass the Confidential Information to another person (including, but not limited to, for example, employees, consultants, subcontractors or advisers, the Bidder's insurers or the Bidder's funders) if either:
 - 1.3.1 this is done for the sole purpose of enabling a Bid to be made and the person receiving the Confidential Information undertakes in writing to keep the Information confidential on the same terms as set out in this ISFT; or
 - 1.3.2 the Bidder obtains the prior written consent of the Authority in relation to such disclosure, distribution or passing of the Information
- 1.4 The Authority may disclose detailed information relating to Bids to the Authority's members, directors, officers, employees, agents or advisers and they may make the key Bid documents available for private inspection by the Authority's members, directors, officers, employees, agents or advisers.
- 1.5 The Authority also reserves the right to disseminate Information that is materially relevant to all Bidders (even in the event that the Information has only been requested by one Bidder), subject to the duty to protect any Bidder's commercial confidence in its Bid. It is the responsibility of the Bidder to avoid such disclosure by stating in writing to the Authority that the request is clearly marked "Commercial in confidence - not to be circulated to other Bidders" and the Bidder must set out a proper and relevant reason or reasons for the request for non-disclosure to other Bidders.
- 1.6 The Authority reserves the right to:

- 1.6.1 provide general information about the successful SQ submissions to unsuccessful applicants in order to provide debriefing information in accordance with principles under EU procurement rules;
 - 1.6.2 provide information about successful Bid(s) to unsuccessful bidders as part of debriefing obligations under Regulation 40 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful Bid(s));
 - 1.6.3 provide information about the winning tender to unsuccessful bidders as part of debriefing obligations during the standstill period in accordance with Regulation 47 of the Concession Contracts Regulations 2016 (including but not limited to the financial or price score of the successful tender);
 - 1.6.4 publish information in the Official Journal of the European Union (OJEU) in accordance with Regulation 32 Concession Contracts Regulations 2016 concerning any contract awarded (including but not limited to the value of any contract awarded).
- 1.7 The Authority will act reasonably as regards the protection of commercially sensitive information relating to the Bidder, subject to the Authority's duties under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 (see below).

2 FREEDOM OF INFORMATION ACT 2000 AND ENVIRONMENTAL INFORMATION REGULATIONS 2004

- 2.1 The Authority is subject to the requirements of the Freedom of Information Act 2000 (the "Act") and the Environmental Information Regulations 2004 ("EIR"). Accordingly, all information submitted to it may need to be disclosed by the Authority in response to a request under either the Act or the EIR (a "Request").
- 2.2 In making any submission during this procurement process, each Bidder acknowledges and accepts that information contained therein may be disclosed by the Authority under the Act or EIR without consulting the Bidder, although the Authority will endeavour to consult with the Bidder and consider its views before doing so.
- 2.3 If Bidders consider that any information made available to the Authority is commercially sensitive, they should identify it and explain (in broad terms) what harm may result from disclosure, and the time period applicable to that sensitivity. Even where information made available to the Authority is marked commercially sensitive, the Authority shall be entitled (acting in its sole discretion) to disclose it pursuant to a Request. Please also note that information marked "confidential" or equivalent by Bidders does not bind the Authority to any duty of confidence by virtue of that marking.
- 2.4 Exemptions to disclosure pursuant to a Request do exist and the Authority reserves the right to determine (acting in its sole discretion) whether there is any available exemption and whether to disclose any information made available to it by Bidders pursuant to any Request. If you are unsure as to the Authority's obligations under

the Act or EIR regarding the disclosure of sensitive information please seek independent legal advice.

3 CONFLICTS

- 3.1 The Authority requires all actual or potential conflicts of interest to be declared and resolved to the Authority's satisfaction during the dialogue stage and prior to the delivery of a Bidder's Final Tender submission. Failure to declare such conflicts (including new conflicts which may arise during the competition) and/or failure to address such conflicts to the reasonable satisfaction of the Authority could result in a Bidder being disqualified at the sole discretion of the Authority.

4 CANVASSING AND NON-COLLUSION

- 4.1 The Authority reserves the right to disqualify (without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability which such conduct by a Bidder or Consortium Member (as the case maybe) may attract) any Bidder or Consortium Member who (or its directors or any other person who has powers of representation, decision or control of the Bidder or Consortium Member), in connection with this ISFT:
- 4.1.1 offers any inducement, fee or reward to any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ISFT;
 - 4.1.2 does anything which would constitute the offence of within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906, where the offence relates to active corruption;
 - 4.1.3 does anything which would constitute the offence of bribery, where the offence relates to active corruption;
 - 4.1.4 does anything which would constitute bribery within the meaning of section 1 or 6 of the Bribery Act 2010;
 - 4.1.5 canvasses any member or officer of the Authority or any person acting as an adviser for the Authority in connection with this ISFT;
 - 4.1.6 contacts any officer of the Authority prior to financial close about any aspect of the ISFT in a manner not permitted by this ISFT (including without limitation contact for the purposes of discussing the possible transfer to the employment of the Bidder of such officer);
 - 4.1.7 fixes or adjusts the amount of his Bid by or in accordance with any agreement or arrangement with any other Bidder or Consortium Member of any other Bidder (other than its own Consortium Members or supply chain);
 - 4.1.8 enters into any agreement or arrangement with any other Bidder (or Consortium Member of any other Bidder) to the effect that it shall refrain from making a Bid or as to the amount of any Bid to be submitted;
 - 4.1.9 causes or induces any person to enter such agreement as is mentioned in either paragraph 8.1.7 or 8.1.8 or to inform the Bidder (or a Consortium

Member of the Bidder) of the amount or approximate amount of any rival Bid;

- 4.1.10 canvasses any person connected with this ISFT who is not one of its own Consortium Members or one of its own team;
 - 4.1.11 offers or agrees to pay or give or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Bid (or proposed Bid) any act or omission;
 - 4.1.12 communicates to any person other than the Authority the amount or approximate amount of his proposed Bid (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of a Bid);
 - 4.1.13 enters into any agreement with any other Bidder (or a Consortium Member of any other Bidder) aimed at distorting the outcome of the competition;
 - 4.1.14 undertakes to unduly influence the decision-making process of the Authority; or
 - 4.1.15 undertakes to obtain confidential information that could confer upon an undue advantage in the award of the contract.
- 4.2 Bidders will be required to complete and submit certificates of non-collusion and non-canvassing at the Final Tender submission stage.

5 INTELLECTUAL PROPERTY

- 5.1 This ISFT (and all Procurement Documents) may not be reproduced, copied or stored in any medium without the prior written consent of the Authority except in relation to the preparation of a Bid.
- 5.2 All documentation supplied by the Authority in relation to this ISFT (and all Procurement Documents) is and shall remain the property of the Authority and must be returned on demand, without any copies being retained. Bidders are not authorised to copy, reproduce, or distribute the information in the Procurement Documents at any time except as is necessary to produce a Bid.

6 PUBLICITY

- 6.1 Bidders shall not undertake (or permit to be undertaken) at any time, whether at this stage or after financial close, any publicity activity with any section of the media in relation to the Project other than with the prior written agreement of the Authority. Such agreement shall extend to the content of any publicity. In this paragraph the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.

7 LIABILITY OF THE AUTHORITY AND ITS ADVISERS

- 7.1 In the Concession Documents, "the Authority" includes all or any of the Authority and its members, officers and Advisers, and the directors, officers, members, partners, employees, other staff, agents or advisers of any such body or person.
- 7.2 The Concession Documents have been prepared by and on behalf of the Authority for the purposes of:
 - 7.2.1 providing an application procedure for individuals or organisations interested in tendering for the Project; and
 - 7.2.2 to assist persons interested in tendering for the Project role in making their own evaluation of the potential opportunity
- 7.3 The Concession Documents are intended only to provide a background explanation of the Project and are not intended to form the basis of any decision on whether to enter into any contractual relationship with the Authority. The Concession Documents do not purport to have been independently verified. The Concession Documents should not be relied on as an investment recommendation of the Project made by the Authority to the potential contractor.
- 7.4 The Authority and its Advisers:
 - 7.4.1 do not make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the Concession Documents provided. Any persons considering entering into a contractual relationship with the Authority should make their own investigations and independent assessment of the Authority and its requirements for this scheme and should seek their own professional technical, financial and legal advice; and
 - 7.4.2 exclude all liability for any loss or damage (whether caused by contract, tort (including negligence), misrepresentation or otherwise) (other than in respect of fraud or fraudulent misrepresentation or personal injury or death) in relation to the Concession Documents and/or arising as a result of reliance on the information in the Concession Documents or any subsequent information made available to Bidders. Any and all liability is expressly excluded to the maximum extent permissible by law.
- 7.5 Only the express terms of any written contract relating to the Project (as and when it is executed) shall have any contractual effect in connection with this Project.
- 7.6 The publication of the Concession Documents in no way commits the Authority to award any contract to deliver the Project. The Authority reserves the right to vary or change all or any part of the procedures for the procurement process at any time or not to proceed with the procurement.
- 7.7 For the purposes of the procurement, all Advisers referred to in this document are acting exclusively as the advisers to the Authority and will not be responsible or owe any duty of care to anyone other than the Authority.

8 PROVISION OF FURTHER INFORMATION TO BIDDERS PRIOR TO MAKING A BID

- 8.1 The Authority is relying on the information provided by Bidders during the procurement process (including but not limited to Bids and SQ submissions). If, at any time during this procurement process there are any material changes to that information, the Bidder must advise the Authority as soon as practicable (even if this is prior to the submission of a Bid). Upon receipt of such information, the Authority shall be entitled to revisit the selection and/or evaluation of the Bidder and exclude the Bidder if necessary, as a result of that process.

9 BIDDING PROCESS AND COSTS

- 9.1 The Authority reserves the right at any time:
- 9.1.1 to require a Bidder and/or its Consortium Members to clarify their Bid(s) in writing and/or provide additional information (failure to respond adequately may result in a Bidder not being successful); and/or
 - 9.1.2 to reduce the number of Bidders in the procurement process
 - 9.1.3 to amend the terms and conditions of the procurement process;
 - 9.1.4 not to consider Bids other than those specified;
 - 9.1.5 to negotiate with one or more of the Bidders during the competitive dialogue to obtain arrangements which best meet its requirements;
 - 9.1.6 to issue amendments or modifications to the ISFT;
 - 9.1.7 to alter the timetable to contract award;
 - 9.1.8 to cancel or withdraw from the tender process at any stage; and
 - 9.1.9 not to award a contract.
- 9.2 All Bidders are solely responsible for their costs and expenses incurred in connection with the preparation and submission of Bids and participation in this and all future stages of this procurement. Under no circumstances will the Authority be liable for any costs or expenses borne by Bidders or any of its supply chain, partners or advisers in this procurement process.

10 THE AUTHORITY'S RIGHT TO REJECT BIDS

- 10.1 The Authority reserves the right to reject or disqualify a Bidder and/or any of its Consortium Members at any time during the procurement procedure where:
- 10.1.1 a Bid is submitted late, is completed incorrectly, is materially incomplete or fails to meet the Authority's submission requirements which have been notified to the relevant Bidder;
 - 10.1.2 the Bidder and/or any of its Consortium Members are unable to satisfy the terms of Regulation 38(8) to 38(25) of the Concession Contracts Regulations 2016 at any stage during the tender process;
 - 10.1.3 the Bidder and/or its Consortium Members are guilty of material misrepresentation in relation to its application and/or the process (including but not limited to the SQ selection stage of the competition);

- 10.1.4 the Bidder and/or its Consortium Members contravene any of the terms and conditions of this ISFT; or
- 10.1.5 there is a change in identity, control, financial standing or other factor impacting on the selection and/or evaluation process affecting the Bidder and/or its Consortium Members.
- 10.2 The disqualification of a Bidder will not prejudice any other civil remedy available to the Authority and will not prejudice any criminal liability that such conduct by a Bidder may attract.
- 10.3 The Authority reserves the right to require Bidders at any moment during the procurement procedure to submit all or any of the supporting documents (or to supplement or clarify certificates received) where it is necessary to ensure the proper conduct of the procurement procedure for the purposes of:
 - 10.3.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38(25) of the Concession Contracts Regulations 2016; and/or
 - 10.3.2 establishing whether the Bidder meets (or continues to meet) the relevant SQ selection criteria relating to economic and financial standing; and/or technical and professional ability; and/or
 - 10.3.3 establishing whether the Bidder fulfils (or continues to fulfil) the rules and criteria for reducing the number of Bidders being invited to the Competitive Dialogue tender stages of the competition.
- 10.4 Furthermore, before awarding the contract, the Authority reserves the right to require the Preferred Bidder to submit up-to-date supporting documents (or to supplement or clarify certificates received) for the purposes of:
 - 10.4.1 establishing the absence of grounds for exclusions under Regulation 38 (8) to 38 (25) of the Concession Contracts Regulations 2016; and/or
 - 10.4.2 establishing the continued fulfilment of the SQ stage selection criteria and requirements (including where relevant the continued possession or attainment of quality assurance standards and environmental management standards (or evidence of their equivalents)).

11 BIDDER CHANGES TO CONSORTIUM MEMBERSHIP

- 11.1 The Consortium Members of any Bidder and the principal relationships between Consortium Members may not be changed in relation to this procurement process unless the Authority's prior consent has been given, and subject to:
 - 11.1.1 any replacement Consortium Member being satisfactorily pre-qualified by the Authority; and
 - 11.1.2 any other condition which the Authority may specify having been met.
- 11.2 The Authority reserves the right, at its absolute discretion, to refuse to allow any change in the Consortium Members of any Bidder and/or the principal relationships between Consortium Members.

- 11.3 The Authority reserves the right, at its absolute discretion, not to consider any Bid where there is a change in the Consortium Members of any Bidder and/or the principal relationships between Consortium Members.

12 GOVERNING LAW

- 12.1 All negotiations will be conducted, and all documents and Bids will be prepared, in the English language. The negotiations and all subsequent contracts negotiated will be subject to English law and the exclusive jurisdiction of the English courts.

13 ACCEPTANCE OF BIDS

- 13.1 Bidders are reminded that no offer or Bid is deemed accepted until the relevant contractual documents have been duly signed on behalf of the Authority, the successful Bidder and all other relevant parties and declared unconditional. No dialogue or communication with the Authority, whether prior to or after the commencement of the ISFT stage, up to and including any notification of the Preferred Bidder award decision commencing the standstill period, shall imply acceptance of any offer or constitute an indication that the Bidder will be awarded the contract.
- 13.2 Please note that only the express terms of any written contract which is finally agreed between the Authority and the successful Bidder and which is duly declared unconditional shall have any contractual effect.

APPENDIX 2

QUALITY AND FINANCIAL QUESTIONS BIDDERS ARE REQUIRED TO ANSWER AT THE FINAL TENDER SUBMISSION STAGE

1. PARTNERING

Criteria 1 – Partnering
Q.1.1 – Joint Venture Leadership Management and Partnership Working (Scored 0-10)
<p>Clear accountability and key personnel availability are key criteria for a successful partnership working.</p> <p>Please outline your leadership and management structure including proposed JV Board Directors and the senior management team operating the JV.</p> <p>The key points of contact, and roles and responsibilities for individuals proposed (including an Organogram and CVs of key personnel setting out their relevant experience) should be included as part of your response.</p> <p>The Authority is seeking a JV partner that will deal with issues in a proactive and responsive manner with a single point of contact for operational delivery and accountability. Should issues arise during the joint venture please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p><i>There are no word limits to the Final Tender responses to this question.</i></p>

Criteria 1 – Partnering
Q.1.2 – Joint Venture Resourcing (Scored 0-10)
<p>The JV staffing and resource plan should be submitted to set out the staffing and resourcing to be provided by the Partner; resource that would have to be externally sourced through the Partner's supply chain; as well as any resource that the Authority would be expected to provide towards achieving the optimal resourcing structure. This may involve both specific resources to be put in place as well as resourcing methodology and approach to secure support to meet the needs of the JV.</p> <p>The resource plan for the JV should seek to demonstrate that the Partner has a proposal with robust capacity, competency and management structures to deliver the range of services and objectives as defined below whilst being balanced with efficiency and adaptability in meeting demand.</p> <p>The resource plan should address the following range of services and objectives:</p> <ul style="list-style-type: none">• design• planning• marketing sales & sales• supply-chain procurement• development and construction management function• finance and treasury management <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

2. CONSTRUCTION PROGRAMME DELIVERY

Criteria 2 – Construction Programme Delivery
Q.2.1 – Supply-Chain Selection, Co-ordination and Management (Scored 0-10)
<p>The partnership will involve delivering construction at multiple sites over the duration of the joint venture.</p> <p>Please provide details of how you will appoint, manage and co-ordinate the construction supply-chain to deliver development across the sites that will demonstrate:</p> <ul style="list-style-type: none"> • Processes for effective needs assessment and planning of supply-chain requirements • High quality standards in the contractors and suppliers appointed for site developments and across the development programme • Efficiencies in your procurement approach to deliver initial and ongoing value for money for each site development and across the development programme • Effective monitoring, reporting and management of supply-chain performance. Cost-control and quality assurance • Rigorous inspection regimes, sub-contractor induction, monitoring and vetting, the supply chain's ability to deliver resilience and contingency measures. • Processes in place to ensure supply-chain resilience and contingency measures • Communications, logistics and management processes to be able to effectively co-ordinate the supply-chain to deliver the site programmes to timetable. <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.2 – Construction Project Management (Scored 0-10)
<p>The construction phases of site development will require the Partner to provide effective construction project management. This should demonstrate day to day accountability for on-site process for scheme progress and managing project risks.</p> <p>Please outline your processes and procedures that your day-to-day project manager will put in place to keep the Authority informed on a regular basis.</p> <p>Should issues arise during the construction stages please outline your lines of escalation and availability which demonstrate accountability and commitment to resolving issues.</p> <p>Your response provided should seek to demonstrate:</p> <ul style="list-style-type: none"> • proactive approach to managing delivery and issues arising • manage day to day operational delivery effectively • reporting systems and client engagement mechanisms you propose to adopt to ensure that the Authority is made aware at the earliest opportunity of relevant issues or problems affecting programme, cost or quality <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.3 Construction Health and Safety Approach and Measures (Scored 0-10)
<p>Please provide details of the approach and measures you will implement to ensure effective health and safety measures are put in place for the protection of contractor staff and the public during construction.</p> <p>Your response should seek to demonstrate:</p> <ul style="list-style-type: none"> • your approach to contingency advance planning to prepare for health and safety hazards, incidents and emergencies which may occur on site • how you assess and identify for each site health and safety risks (and possible emerging risk on an on-going basis) in operating in the site and resource appropriate measures accordingly; • Your communications plan in respect of emerging or actual health and safety incidents which enables your organisation to respond promptly to the health and safety issues; mobilise and co-ordinate contingencies measures; and to keep the Authority informed. • Your strategy and methodology in dealing with arising incidents on site in order to ensure health and safety incidents do not impact on the overall project timescales. <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 2 - Construction Programme Delivery
Q.2.4 Minimising Construction Energy, Water and Waste (Scored 0-10)
<p>Please provide details of your approach and measures that you will implement to minimise the amount of energy, water and waste produced in delivering the programme of construction under the joint venture. Your response should describe measures in relation to performing construction services for the Authority as well as materials used during construction.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

3. MARKET POSITIONING

Criteria 3 – Market Positioning

Q.3.1 –Market Positioning (Scored 0-10)

Please provide your approach to Sales & Marketing across the programme of sites. Your response should include details of:

- Your approach and methodology for assessing demand for types of homes in each area
- Examples of specific design approaches and place-making interventions you consider appropriate for inclusion in these development sites
- Your analysis of growth / value uplift opportunities across the 12 sites
- How you will co-ordinate with other advisors and intermediaries to support and facilitate the transfer of assets
- How you will maximise value for the sale of developed assets
- The marketing you propose to carry out for the development to secure potential purchasers
- The resourcing you propose to deploy to deliver that plan
- Your projected rate of sale and reasons supporting those projections
- Your strategy for maximising value from sales and reasons supporting the effectiveness of that approach

There are no word limits for the Final Tender responses to this question.

4. SAMPLE PACKAGE SCHEME DEVELOPMENT PROPOSALS

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.1 Development 1 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 1 (comprising of the Waterloo Estate site and the Queen Street site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix 5. Planning opportunities and constraints 6. Summary accommodation schedule with tenure, building types, gross and net residential areas 7. Plan to increase local biodiversity with planting and wildlife areas in developing the sites. <p>NB Please refer to benchmark specifications supplied with this ISFT</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.2 Development 2 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 2 (comprising of the Napier House and New Plymouth House site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market 4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix 5. Planning opportunities and constraints 6. Summary accommodation schedule with tenure, building types, gross and net residential areas 7. Plan to increase local biodiversity with planting and wildlife areas in developing the site. <p>NB Please refer to benchmark specifications supplied with this ISFT</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

Criteria 4 – Sample Package Scheme Development Proposals
Q.4.3 Development 3 Outline Master-Plan and Housing Design (Scored 0-10)
<p>Please provide a design and planning submission for Development 3 (comprising of the Serena, Solar and Sunrise site) to include:</p> <ol style="list-style-type: none"> 1. Identification and illustration of key site constraints and opportunities impacting on the location, form, type and quantum of development 2. Diagrams, plans and images to illustrate: <ul style="list-style-type: none"> • Overall approach to site layout • Access and connectivity • Parking • Landscape / Public realm • Built form • Massing and height • Key views • Precedent images for elevational treatments (representative of your approach to this site) 3. Commentary on residential mix, specification, target market

4. Proposals to amend/modify/improve the baseline position (set out in the design brief) including quantum and tenure mix
5. Planning opportunities and constraints
6. Summary accommodation schedule with tenure, building types, gross and net residential areas
7. Plan to increase local biodiversity with planting and wildlife areas in developing the site.

Please note that the entirety of this site will be retirement accommodation.

NB Please refer to benchmark specifications supplied with this ISFT

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.4 Stakeholder Engagement and Communication (Scored 0-10)

Please provide details of the stakeholder engagement and consultation and communications plan you intend to put in place in relation to developing the Sample Package Scheme Development Proposals. Your response should provide a timetable and resourcing plan to carry out the consultation and programme of communications.

The proposals should set out:

- an effective plan to identify relevant Stakeholders in relation to the 3 Developments of the Sample Package Scheme and schedule accessible consultation opportunities for them to participate in
- the information that the consultation process would seek to identify relevant to the 3 Developments of the Sample Package Scheme and the reasons it is important for the successful delivery of the scheme
- how the consultation information will be collated, provided and presented to the Authority
- how you would work with the authority to address issues anticipated to result from the consultation exercise
- the communications programmes and events that would be deployed during and on completion of each and all of the 3 Developments of the Sample Package Scheme development to promote projects to Stakeholders and the community.

There are no word limits for the Final Tender responses to this question.

Criteria 4 – Sample Package Scheme Development Proposals

Q.4.5 Programme (Scored 0-10)

Please provide a high-level programme for the delivery of the Sample Package Scheme Development Proposals.

The Programme should:

- Show all key work stages for each of the 3 Developments
- Show all key milestones for each of the 3 Developments

The Programme should be supported by a commentary explaining how those key milestones are properly

resourced and deliverable to provide confidence that the Sample Package Scheme Development Proposals will be delivered on time. The commentary should also provide details of contingency and business continuity measures that will be put in place to ensure the resilience of the proposed programme.

There are no word limits for the Final Tender responses to this question.

5. ADDITIONAL SITES

Criteria 5 – Sample Package Scheme Development Proposals
Q.5.1 Additional Sites Strategy (Scored 0-10)
<p>The joint venture commencement programme will be to deliver the development across the 12 initial sites. However, the joint venture will also need to have a strategy to seek and realise housing led development commercial opportunities beyond the development of these 12 initial sites.</p> <p>Please provide details of your overview approach, business plan and strategy in relation to future opportunities within the Borough of Havering over the duration of the arrangements beyond the development of these 12 initial sites. This may include (but is not limited to) strategic review and financial appraisals of other existing Authority sites for commercial development as well as further potential land assembly and acquisition opportunities to be jointly invested in and realised through the Joint Venture.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

6. SOCIAL VALUE

Criteria 6 – Social Value
Q.6.1 Social Value Proposal (Scored 0-10)
<p>The Partner will be operating within the Borough over the long term and will be expected to apply its skills and ability to contribute towards the strategic social and economic development and regeneration of the area.</p> <p>The Authority is committed to delivery of social value linked to the development and regeneration of the sites. The Authority is looking to the Partner to drive benefits in terms of:</p> <ul style="list-style-type: none">• Providing apprenticeships and other skills development, work experience and opportunity access programmes to be provided in the Borough to secure skills to support the delivery of development programme and leave a legacy of workforce investment. The details of commitments, the quality and duration of the training programmes and support proposed should be included.• Offering curriculum support to schools with contractors sharing knowledge and expertise about their discipline.• Creating supply chain opportunities for SMEs and social enterprises.• Supporting initiatives like targeting hard to reach groups and offering training opportunities.• Investing in delivering facilities such as libraries and leisure facilities to communities and making them available for community use. <p>The deliverability of your proposal may be illustrated by relevant examples of social value in past projects. The Authority will be assessing the quality of the proposal and also the number of clear formal commitments, inputs and outputs put forward.</p> <p><i>There are no word limits for the Final Tender responses to this question.</i></p>

7. LEGAL AND COMMERCIAL

Criteria 6 – Legal & Commercial
Q.7.1 Contractual Documents Response
<p>Bidders are required to submit a mark-up (with supporting commentary and reasoning to explain changes, proposals and commitments) to the contractual documents consisting of:</p> <ul style="list-style-type: none"> the Members Agreement the Development Agreement the Development Management Agreement the Build Licence (or alternatively a building lease proposed by the Bidder which should aim to reflect the risk transfer of the Build Licence) <p>The response should also incorporate how the Bidder will address the issue covering the <i>Phasing or viable and less viable Sites</i> clarification (as set out in the Authority's clarification issued to Bidders on 2nd November) and this is to be evaluated as part of the overall holistic assessment of the Contractual Documents response. The relevant clarification is repeated below for reference.</p> <p>The final mark-up submitted as part of the Final Tender should reflect the positions discussed with the Authority up to the conclusion of the dialogue stage.</p>
<p style="text-align: center;">Authority's clarification issued to bidders 2nd November:</p> <p style="text-align: center;">Phasing of viable and less viable Sites</p> <p>Bidders are aware that the Regeneration of all 12 Sites is dependent on Sites being "bundled" so that each Phase of Sites delivers a positive residual land value even if individual Sites would not do so, looked at in isolation. The three initial developments have been chosen for that reason and it will be necessary that later Phases will be bundled in the same way so that all 12 Sites can be delivered viably.</p> <p>However, even if Sites are bundled in viable Phases, this does not of itself guarantee that all the Sites in a Phase will be completed. The worst case scenario is that the most viable Site(s) within a Phase are completed; there is a downturn in the market (or for any other reason the JV comes to an end) and the less viable Sites are not built. The Council, therefore, needs to be sure that all the Sites within a Phase are both started and completed in a timely manner.</p> <p>Bidders should describe how they will address this issue covering the following areas in respect of phases of sites:</p> <ul style="list-style-type: none"> In respect of the Sample Package Scheme involving the initial 4 Sites (over 3 Developments) what commitment can be given to ensuring a start of construction on each Site within a specified time period? The Council's requirement is that there will be no more than 6 months between the start on Site on the first and last Site within the initial Phase of Sites across the three initial Developments and bidder's proposals must comply with or improve upon this requirement. What commitments can be given to ensuring that all Sites within the Sample Package Scheme of the initial three Developments are completed, once started. This might include restrictions on how many Units on the viable Sites can be sold before practical completion of the less viable Sites What similar commitments can be given in relation to ensuring a start of construction of each Site within a defined time period for each future Phase "bundle" of Sites for the remaining 8 Sites? What sanctions the JV would suffer if the commitments referred to above are not met both in respect of the Sample Package Scheme and also in relation to each future Phase "bundles" of Sites for the remaining 8 Sites. What amendments to the legal documentation are proposed to incorporate the above to reflect commitments in respect of the Sample Package Scheme and also in relation to each future Phase "bundle" of Sites for the remaining 8 Sites.

APPENDIX 3

FINANCIAL CRITERIA EVALUATION METHODOLOGY

Criteria 8 Financial Proposals

For the Final Tender evaluation the Financial Proposal will be an assessment of the Form of Tender put forward by the Bidder in accordance with the requirements of Appendix 4.

The financial model will be assessed in terms of the robustness and credibility of the assumptions, and the financial offer being made. The following scoring methodology will be used to assess bids:

Criteria	Formula	Max Score	Bidder 1	Bidder 2	Bidder 3	Highest Offer
Robustness & Credibility	Evaluation	10.00	8.00	8.00	5.00	8.00
Potential return to Council	As submitted		450,000	600,000	800,000	800,000
Weighted return to Council	Return x Robustness Factor		360,000	480,000	400,000	480,000
Total	Bidder Weighted Surplus to Council/Highest Weighted Surplus to Council x 20		15.00	20.00	16.67	

The Authority is seeking financial offers that are considered to be deliverable, and therefore credibility and robustness will be scored 0-10 as follows:

ISFT FINANCIAL EVALUATION - ROBUSTNESS SCORING MATRIX		
SCORE	COMMENTARY	
	CONFIDENCE IN ASSUMPTIONS	RISK TO DELIVERABILITY
0	No information provided so unable to score	
1	Extremely low	Extremely high
2	Very low	Very high
3	Low	High

4	Moderately low	Moderately high
5	Moderate	Moderate
6	Moderately high	Moderately low
7	High	Low
8	Very high	Very Low
9	Extremely high	Extremely Low
10	Fully robust and credible	

APPENDIX 4

FINANCIAL SUBMISSION FORM OF TENDER

For the purposes of the Final Tender evaluation, the Financial Submission will consist of a business plan model for the three sample sites. Responses should comprise:

1. Please provide a **live financial model** in Excel format showing the financial appraisal of the three sample Developments (covering the 4 sites). The model should demonstrate all key elements including:

REVENUES

Residential Affordable (an average offer price of £172,000 per plot for the affordable rented units, and 40% of open market value (the sales receipt at point of sale) for any shared ownership units)

Residential Market

Non-residential uses

Ground rents

NB Please refer to benchmark specifications supplied with this ISFT (document titled *LB Havering Specification for Regeneration Scheme 8th Sept 2017*) in arriving at your scheme revenues

EXPENDITURES

Professional fees

CIL / S106 (at a fixed value to be confirmed by the Authority)

Construction broken down into buildings, externals, abnormals, OHP

Finance

PROGRAMME

Overall phasing

Site by site periods for pre-construction, construction and sales/lettings

Cashflow for each site and consolidated

OUTPUTS

Residual land value

Distribution of returns to the JV partners

SENSITIVITY ANALYSIS

Demonstrating scenarios where viability cannot be achieved

All business plan inputs should be on the basis of current values and current costs.

2. In addition to your own financial model we have provided a series of **summary sheets** that should be populated with data from your model. Instructions for completion of the summary sheets are included within the Excel file.

3. The Financial Model and Summary Sheets should also be accompanied by a **commentary** including explanation of your approach to:

- Key development appraisal assumptions
- The set up period of the Joint Venture
- An outline of how you intend to fund the Joint Venture
- The phasing of individual sites Balancing maximising development value and development output over the duration of the partnership including the market indicators and factors that would influence your choice of timing of the sequence of development of specific sites
- Achieving financing and sales efficiencies in the development site sequencing
- Integrating more commercially challenging sites or more difficult to develop sites into the programme as early as possible in a deliverable and financially sustainable way
- Your proposed structure and timing for returns to the JV partners, linked to your site phasing/package strategy

- Your proposed structure and timing for super-profit returns to the JV partners, linked to your site phasing/packaging strategy
- Your proposed Development Management fee structure
- Your proposed Construction Management fee structure (if applicable)

4. A proof of funds letter, or similar from your funders to provide evidence that funds are available to deploy to the venture

Raising of debt funding assumptions and requirements in completing your Financial Submission Form of Tender

The Authority's position on the funding of the JV for the Regeneration for the initial 4 Sites (over the 3 Developments) for the purposes of responses to Appendix 3 (Financial Criteria evaluation) and Appendix 4 (Financial Submission) is as follows:

- funding will be comprised of a 30% equity 70% debt split
- The 30% equity will be provided to the JV by way of (i) a loan note in respect of Council land or cash contribution (15%) and (ii) equity provided by the PSP (15%)
- The Council will not be contributing more than 15% of the equity investment
- The PSP will arrange 70% debt funding on behalf of the JV.

Bidders must return solutions that confirm that they will be able to deliver in compliance with the above, setting out details of how they will deliver this

The Authority reserves the right to reject a Final Tender Bid which does not comply with these assumptions and requirements.

There are no word limits for the Final Tender commentary response to this question.

APPENDIX 5

CONTRACTS

The Draft Members Agreement
The Draft Development Agreement
The Draft Development Management
The Draft Build Licence

are included in the procurement documents available electronically through
<https://www.capitalesourcing.com/web/login.shtml>

Other project documents are also included in the procurement documents available electronically
through <https://www.capitalesourcing.com/web/login.shtml>

APPENDIX 6

GLOSSARY OF TERMS

The capitalised words and expressions in this ISFT have the meanings set out below unless the context specifically requires otherwise. References to the singular include the plural and vice versa.

"Advisers"

means all professional advisers of the Authority involved in the procurement of the Project

"Bid"

means each of the written proposals submitted by a Bidder as part of this procurement process at any stage of the procurement

"Bidders"

means individuals and/or organisations to whom this ISFT has been issued by the Authority

"Concession Documents"

means any document issued by the Authority as part of this procurement process

"Confidential Information"

means all information designated as confidential and disclosed to the Bidders by the Authority or its Advisers in order for them to formulate and prepare their Bid; or which may be supplied by the Authority or its Advisers at a future date (whether in written or visual format or otherwise)

"Consortium"

means either an entity which is to be formed by a group of Organisations or a group of Organisations acting jointly as the Bidder

"Consortium Member"

means where the Bidder is a consortium, any individual economic operator forming part of that consortium

"Final Tenders" the Bid submitted in responses to the ISFT

"Organisation"

means a sole trader, partnership, limited partnership, limited liability partnership, co-operative or company and any analogous entity established inside or outside the UK and should be interpreted accordingly

"Preferred Bidder"

means the Bidder which has been assessed by the Authority as having the most economically advantageous Final Tender

APPENDIX 7
CERTIFICATES

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON- COLLUSION

To the London Borough of Havering (“the Authority”)

The essence of the public procurement process is that the Authority shall receive bona fide competitive Tenders from all Bidders. In recognition of this principle I/We certify that this is a bona fide Tender, intended to be competitive and that I/we have not fixed or adjusted the amount of the Tender or the rates, financial responses and prices quoted by or under or in accordance with any agreement or arrangement with any other party.

I/We also certify that I/we have not done and undertake that I/we will not do at any time any of the following acts:

- a) communicate to a party other than the Authority the amount or approximate amount of my/our proposed Tender (other than in confidence in order to obtain quotations necessary for the preparation of the Tender);
- b) enter into any agreement or arrangement with any other party that he shall refrain from tendering or as to the amount of any Tender to be submitted;
- c) offer or agree to pay or give or pay or give any sum of money inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused any act or omission to be done in relation to any other tender or the proposed Tender; or
- d) enters into any type of agreement or arrangement with any other party aimed at distorting the outcome of the competition

In this Certificate:

- the word “person” includes any person, body or association, corporate or incorporate
- the phrase “any agreement or arrangement” includes any transaction, formal or informal whether legally binding or not.
- the word “Tender” includes all tender submissions including ITPD submissions, ITCD submissions and Final Tender submissions together with associated clarifications provided by the Bidder

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

TENDER FOR HAVERING ESTATE REGENERATION PARTNER PROJECT

CERTIFICATE OF NON - CANVASSING

To London Borough of Havering ("the Authority")

I/We hereby certify that I/we have not in connection with the award of the contract for the project or any other proposed contract for Havering Estate Regeneration Partner Project

- canvassed any member, employee, agent of the Authority
- undertaken to unduly influence the decision-making process of the Authority
- undertaken to obtain confidential information that could confer upon an undue advantage in the award of the contract

and that no person employed by me/us or acting on my/our behalf has done any such act.

I/We further hereby undertake that I/we will not in the future do or seek to do the prohibited acts referred to above and that no person employed by me/us or acting on my/our behalf will do any such act.

1 **SIGNED**
POSITION

2 **SIGNED**
POSITION

On behalf of

Date

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8.16 Indicative Estate Regeneration Budget

	£
Project Delivery Management	200,000
External Legal Advice	150,000
Internal Legal Charges	75,000
HRA Finance Advice	50,000
Tax Advice	50,000
Communications/ Printing	15,000
Property Due Diligence	125,000
Total	665,000

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Appendix 8.17

Sales and Marketing Strategy

In November 2016, work commenced to establish a 'Baseline' financial model to demonstrate viability of the 12 Site Regeneration Programme, both on a site-by-site basis and across the entire portfolio.

The initial revenue forecast was based upon independent market research via local estate agents, supported by evidence-based land registry data, derived from comparable new build activity (where available) in the immediate localities of the 12 Sites.

These assumptions were then reviewed by Savills who led the multi-disciplinary specialist team appointed by the Council. Savills recommended base revenues would attract a regeneration factor comprising a 5% premium compounded over the development lifecycle of the project. In addition, a high level summary was commissioned from local agents Glenny and this is attached.

Bidders shortlisted to participate in the competitive dialogue procurement process have since instructed internal sales and marketing teams, and/or external sales agencies to provide detailed sales and marketing reports to inform their own financial viabilities including wider demographic data to support a sales and marketing strategy. One of the requirements of that emerging strategy was to show how the new homes being built would be targeted at local people and to evidence affordability at local income levels.

In November 2017, 'Bidder C' commissioned CBRE to undertake a comprehensive sales and marketing analysis for Phase One of the 12 Site Regeneration Programme. The report considers a broad range of factors which influence the financial outcomes, such as:

- Place-making and regeneration premium
- Pricing analysis of estate regeneration
- Characteristics of the target market
- Build specification
- Diversification of product
- Incentives
- Sales and marketing strategy

The report also included a plot-by-plot revenue analysis and forecast predicated on first sales arising in 2021. These range from £484ft² to £617ft².

Bidder C financial analysis assumes average private sales values equivalent to £513ft².

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HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME

HOUSING REGENERATION PACK

(2) Local Lettings Plan (Proposed)

This document forms the Council's Local Lettings Plan setting out the re-housing options and allocation principles and procedures for secure (and introductory tenants) of the Council affected by the Housing Regeneration Scheme

1. INTRODUCTION

- 1.1. This Local Lettings Plan is made pursuant to the provisions of s.166A(6) Housing Act 1996 (as amended) and/or s.21 Housing Act 1985 and sets out the principles and procedures adopted by the Council for the allocation of housing to Council tenants who will be affected by the Regeneration Schemes as defined below.
- 1.2. The Local Lettings Plan also takes account of the following legislation:
- Homelessness Act 2002
 - Housing Act 1985
 - Housing Act 1996
 - Housing Act 2004
 - Housing and Regeneration Act 2008
 - Human Rights Act 1998
 - Land Compensation Act 1973
 - Planning and Compulsory Purchase Act 2004
 - Town and Country Planning Act 1990
 - Housing and Planning Act 2016, Pt 4 Ch.6
- 1.3. The Local Lettings Plan has the following objectives:
- 1.3.1. Ensure the delivery of the development proceeds on time by facilitating the moves of affected tenants from the estates into alternative suitable homes
- 1.3.2. Fairly manage the rehousing and payment compensation process
- 1.3.3. Use the development opportunity to improve housing conditions in the borough
- 1.3.4. Create a sustainable community in each regeneration area
- 1.4. The Local Lettings Plan forms part of the Council's overall Allocation Scheme pursuant to s.166A(1),(6) Housing Act 1996.
- 1.5. Section 25.2 of the Housing Allocations Scheme (2016) states:
- "Local lettings schemes can be put in place for a specific area or estate on new developments which is agreed with the Provider in response to particular local circumstances. They will include a clear commitment to equality of opportunity, the provision of clear and accurate information to applicants and an appeals mechanism. In order to implement the policy we may have to select applicants for an offer of social housing who are in a lower band than we would usually offer to.*
- We may also make targeted offers in order to identify suitable applicants in particular circumstances in order to implement a local lettings policy. In such cases the offer will be made to the applicant with the earliest priority date in the highest band that will meet the criteria within the local lettings policy".*

- 1.6. The Local Lettings Plan will be subject to consultation with Council tenants and private registered providers of housing in accordance with s.166A(13) Housing Act 1996 and s.105 Housing Act 1985, for a period of 12 weeks.

2. DEFINITIONS AND ELIGIBILITY

APPLICATION

- 2.1. The Local Lettings Plan applies to the temporary and/or permanent rehousing of all Council tenants who are affected by the Regeneration Schemes in respect of the following properties:

SITE	TOTAL No of PROPERTIES*
1. Waterloo Road Estate	285
2. Napier House and New Plymouth House	98
3. Maygreen Crescent and Park Lane Estate	93
4. Oldchurch Gardens Estate	84
5. Chippenham Rd, Farnham Rd, and Hildene Ave	57
6. Queen Street Sheltered Housing Scheme	31
7. Maygreen Crescent and Park Lane Sheltered Housing Scheme	40
8. Solar, Serena, Sunrise Court Sheltered Housing Scheme	55
9. Brunswick Court Sheltered Housing Scheme	47
10. Dell Court Sheltered Housing Scheme	29
11. Royal Jubilee Court Sheltered Housing Scheme	79
12. Delderfield House Sheltered Housing Scheme	14
13. Delta TMO	60
14. Bridge Close	37

- Please note that these figures include all Council properties regardless of tenure.

DURATION

- 2.2. The Local Lettings Plan will cease to apply upon the completion of the Regeneration Schemes. The Council's main Allocation Scheme will continue to apply throughout and thereafter to all Council tenants.

COUNCIL TENANTS

- 2.3. For the purposes of the Local Lettings Plan, Council tenants are secure (or introductory) tenants who rent a home from the Council, including those who live in sheltered housing

HOUSEHOLD MEMBERS

- 2.4. All household members will be considered as part of the eligible tenant's household. This includes:
- Secure and joint tenants of the council
 - Co-habiting partners and spouses living together in a settled relationship with the eligible tenant for at least 12 months prior to the serving of the initial demolition notice.
 - Non-dependent children living continuously as part of the settled household since the start of tenancy or who have lived with the household since birth.
 - Children born since the start of the tenancy or other dependent children where the eligible tenant has principal care of the child on a permanent basis. Birth certificates will need to be produced to confirm relationship and dependency.
 - An adult relative who has become a settled member of the household because they are in need of support and cannot live independently. This may be an elderly relative or someone who is disabled. Such persons must have resided with the household for a minimum of 12 continuous months before being considered as part of the household.
 - Live-in carers providing full time care to a member of the household.
- 2.5. The Council will consider any exceptions not covered by the criteria above on a case-by-case basis. Approval will be given by the Housing Demand Services Manager.
- 2.6. The following household members will be excluded from being rehoused:
- Unauthorised occupants including friends, lodgers and sub-tenants living with the tenant;
 - Squatters;
 - Any household member who has moved in and caused overcrowding;
 - Children of the tenant whose main, principal home is elsewhere;
 - Any other person the Council deems ineligible.
- 2.7. If the composition of any household changes or is expected to change (i.e. pregnancy) the main tenant is required to inform the Council as soon as reasonably possible. Evidence will be required to support any change to a household's composition. The Council reserves the right to refuse the addition of a household member or members if it considers, in its absolute discretion the evidence submitted is considered insufficient

3. RE-HOUSING OPTIONS FOR COUNCIL TENANTS

- 3.1. The Council will rehouse any Council tenant being displaced from their home as a result of the Housing Regeneration Programme, with the following exceptions:
- 3.1.1. The Council will **not** rehouse any tenant against whom an outright possession order has been made by a Court for breach of their tenancy conditions for example, due to rent arrears or anti social behaviour;
 - 3.1.2. The Council will not rehouse any tenant against whom a suspended possession order has been made if the terms of suspension of the Order have been breached and/or if any breaches are not remedied;
 - 3.1.3. The Council will not rehouse any introductory tenant who fails to satisfactorily complete the introductory period and where a Notice has been served under s.128 Housing Act 1996 (save where the Notice is suspended on statutory review);
 - 3.1.4. Tenants who have rent arrears will not be eligible to move into a new-build property in the redeveloped site, unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months.
- 3.2. Tenants have a right of appeal to the Appeals & Reviews Officer against a decision not to rehouse.
- 3.3. The rehousing options available to Council tenants are set out below:

OPTION 1 – MOVE TO AN EXISTING COUNCIL PROPERTY ELSEWHERE IN THE BOROUGH.

- O1.1.** Council tenants who wish to move to an existing council property elsewhere in the borough will be given the opportunity to do so.
- O1.2.** Tenants will be entitled to **two direct offers** of alternative accommodation.
- O1.3.** For tenants who would like to move outside of London, the Council will identify suitable vacancies including through the Seaside and Country Homes

OPTION 2 – MOVE TO AN EXISTING HOUSING ASSOCIATION PROPERTY ELSEWHERE IN THE BOROUGH.

- 02.1.** Council tenants who wish to move to a property owned and managed by a Housing Association elsewhere in the borough will be given the opportunity to do so.
- 02.2.** Tenants will be entitled to **two direct offers** of alternative accommodation.
- 02.3.** Tenants who choose this option will be supported by the Regeneration Housing Officer to ensure they understand the differences between the Council and Housing Association tenancies and can afford the rent.

OPTION 3 – MOVE TO A SHELTERED HOUSING OR EXTRA-CARE SCHEME PROPERTY ELSEWHERE IN THE BOROUGH (SUBJECT TO ELIGIBILITY FOR THE PARTICULAR SCHEME)

- 03.1.** Council tenants who are eligible and wish to move to a property in either a Sheltered or an Extra Care housing scheme elsewhere in the borough will be given the opportunity to do so.
- 03.2.** Dedicated scheme officers will also provide residents with on-site support including for the viewing and moving processes.
- 03.3.** Tenants who meet the following criteria will be eligible for offers in a sheltered scheme:
 - 60 years and over; or
 - Aged 55 to 59 years and in receipt of Personal Independence payments; and
 - Single or joint applicants with no children; and
 - In need of the housing support provided by the scheme.
- 03.4.** Tenants will be nominated for consideration by a Panel for Extra Care accommodation. Extra Care housing is for people who require a high level support due to:
 - Frailty;
 - Ill-health; or
 - Restricted mobility.
- 03.5.** Tenants will be entitled to two direct offers of alternative accommodation.

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OPTION 4 – PURCHASE OF AN AFFORDABLE HOME ELSEWHERE THROUGH A LOW COST HOME OWNERSHIP SCHEME

- O4.1.** Council tenants who are working and have savings will be supported in the process to purchase an affordable home.
- O4.2.** A number of affordable homes are being built in the borough under Shared Ownership and Shared Equity schemes and tenants can also be supported to purchase such properties, as well as properties on the open market. Further details are set out in Appendix 1.
- O4.3.** Officers will be able to provide housing advice on whether this is an affordable and viable option based on individual financial circumstances.

OPTION 5 – RENT A PROPERTY ELSEWHERE WITH A PRIVATE LANDLORD

- O5.1.** The Council can help tenants to move to a property in the private rented sector. This may be a good option for a tenant who would like to move near a support network in another borough or outside London.
- O5.2.** The Council can provide assistance by liaising about affordable private rented accommodation with landlords in or outside of the borough as well as offering financial assistance towards the required deposit and first month's rent through the Council's 'Find Your Own' scheme.

OPTION 6 – MOVE TO A NEW PROPERTY IN THE NEW DEVELOPMENT ONCE COMPLETED

- O6.1.** The Council will build new council housing across a number of sites in the borough as part of the Housing Regeneration Programme. Priority for the new build homes will be given to those who have had to move because of the regeneration programme. Tenants who express an interest in moving back to one of the new homes within the redevelopment area once the properties are built will be given the opportunity to do so.
- O6.2.** This option will apply to tenants who have initially:
 - moved to a council or housing association property elsewhere within the borough
 - moved to a sheltered housing property elsewhere in the borough
- O6.3.** Tenants who have rent arrears will not be eligible to move into a new-build property in the redeveloped estate, unless they have maintained payments of current rent plus their agreed arrears repayment plan for a continuous period of six months.

4. ALLOCATION & ELIGIBILITY PRINCIPLES AND PROCEDURES

- 4.1. Officers will carry out one to one meetings with Council tenants to help with completing the relevant 1-2-1 & Decant Assessment Forms and establish the needs of the family including whether or not they would like to register an interest to return to a new build property in the redeveloped area when they are become available.
- 4.2. As part of this process, the following information will be gathered:
- Proof of tenancy
 - Housing composition (verifying who lives at the home and that all household members are eligible for rehousing)
 - Rehousing option preference
 - Bed size requirement
 - Type of property preferences (floor level, block type and house type)
 - Location of property preferences (area preference in Havering or out of borough)
 - Preference to be near to friends, family, current neighbours (as a group move) or support service
 - Any medical, health, mobility, social or risk factors that should be considered
 - Current location of children's schools and workplace
 - Preference of when they would like to move (i.e. as soon as possible, within the next year or two years+)
 - Equalities information for monitoring purposes
- 4.3. The information will also shared with the Council's development partner, helping to understand what existing tenant's accommodation needs are for the new provision.
- 4.4. The tenant will be notified of the outcome of the application following assessment of their eligibility and needs. This notification will:
- Confirm the Housing Needs Band that the tenant has been placed in
 - Confirm the size (and if applicable, the type) of property the tenant is eligible for
 - Confirm the tenant's effective date
 - Include a reminder about informing the Council of any change in the household's circumstances
 - Provide details of the Appeal process
- 4.5. The tenant will be awarded the Emergency Rehousing (ER) Priority Band based on the requirement for them to move as a 'decant' for regeneration purpose. The effective date will be based on the date their first Council tenancy commenced.
- 4.6. Where the tenant is already on the housing register, the application will be updated with the relevant housing priority band and effective date.

IDENTIFYING AND MAKING AN OFFER OF ACCOMMODATION

- 4.7. Tenants will be entitled to a maximum of two direct offers of accommodation.
- 4.8. The Council will check whether a vacant property is suitable for a tenant on the regeneration decant waiting list.
- 4.9. Once a suitable property has been identified, the Council will contact the tenant (usually by telephone) to give the details of the property that is being offered and make an arrangement for the tenant to view the property. This will be followed by a formal offer letter.
- 4.10. The tenant will be asked to view the property within 14 days and then to sign the tenancy agreement. If they do not consider the property is suitable for themselves or their household, they will be asked to complete a form setting out their reasons for refusing the offer. If a tenant fails to view the property then this will be deemed a refusal of the offer.
- 4.11. A tenant can ask for a Review of the suitability of the accommodation offered regardless of whether they accept the offer or not by a Reviews Officer. The reasons will be considered as part of the Review and a decision will be made as to whether the offer was reasonable or not.
- 4.12. If the offer is considered unreasonable, the offer will not count against the tenant. This means that they will still be entitled to two further offers.
- 4.13. If the offer is considered reasonable, it will count as the first offer. This means that the tenant will be left with one more offer to be made.
- 4.14. If the tenant is dissatisfied with the outcome of a Review decision, they may Appeal to the Appeals Officer
- 4.15. Should the tenant refuse both direct offers of suitable accommodation; the Council may start early possession proceedings in order to obtain vacant possession of the property in time for demolition.
- 4.16. Taking into account the long timescale of the programme and waiting times for rehousing, the Council will check the detail of the needs assessment at the point of making an offer to ensure that there has been no change of circumstances and the offer is suitable.
- 4.17. The Council will liaise with other council services such as the Occupational Therapy Service, Adult Social Care, Children's Services etc. to ensure the tenant's health and support needs are addressed.

ESTIMATED WAITING TIME FOR AN OFFER OF ACCOMMODATION

- 4.18. The timescales of when a tenant may be offered alternative accommodation will depend on:
- The available supply of accommodation that is suitable to meet their housing needs
 - The redevelopment priority of the estate that the tenant is living in.
- 4.19. Offers of accommodation will be prioritised based on the following criteria:
- A tenant from a priority redevelopment site will be matched to a vacant property
 - The housing needs and vulnerabilities of each tenant matched will then be assessed to determine which tenant has priority for the match
 - If there is more than one tenant from the priority site whose needs are suitable for the vacant property, the offer will be made to the tenant who has been a council tenant the longest (based on the tenancy start date)
 - If there is no suitable tenant from the first priority site, the Council will use this criteria to continue to identify a tenant from the second priority sites and so on until the property is let.

BEDROOM SIZE ENTITLEMENT

- 4.20 The size and type of property that an applicant could have will depend on the size of their household.
- 4.21. The table overleaf sets out the Council's bedroom standards:

4.21. TABLE OF BEDROOM STANDARDS

<p style="text-align: center;"><i>1 bedroom property or studio</i></p> <ul style="list-style-type: none"> • Single person or couple with no children
<p style="text-align: center;"><i>2 bedroom property</i></p> <p>Single person / couple with any of the following:</p> <ul style="list-style-type: none"> • one child of any age • two children of different sexes where both are under 10 years • two children of same sex where both are under 16 years • one other person (not the lead tenant's partner or child) or couple
<p style="text-align: center;"><i>3 bedroom property</i></p> <ul style="list-style-type: none"> • Single person / couple with any of the following: • two children of different sexes, at least one of which is 10 years or over • two children of the same sex where one is 16 years old or over • three children of any sex or age • four children of the same sex • four children with two girls of any age and two boys of any age • four children with three of the same sex and one of the opposite sex, where one girl and one boy are both under 10 years • one person (not the lead tenant's partner or child), with or without a partner plus one child, or two children of different sexes who are both under ten, or two children of the same sex regardless of age
<p style="text-align: center;"><i>4 bedroom property</i></p> <ul style="list-style-type: none"> • Single / couple with any of the following: • four children where the need for a three bedroom property does not apply • five children of any sex or age • six children of the same sex regardless of their age • six children with five of the same sex and one of the opposite sex where there is one girl and one boy both aged under 10 years • six children with four of the same sex, two of the opposite sex regardless of the age of the children • six children with three girls and three boys where all the bedrooms available to the children can be shared by either a girl and boy under 10 years or the same sex children of any age can share • one of the reasons for being eligible for a three bedroom property plus one person (not the lead tenant's partner or child), with or without a partner
<p style="text-align: center;"><i>5 bedroom property</i></p> <p>Single / couple with any of the following:</p> <ul style="list-style-type: none"> • six children where the rules for a four bedroom home do not apply • seven children of any sex or age • eight children all of the same sex • seven of the same sex and one of the opposite sex where one girl and one boy are both under 10 years • eight children with five of the same sex and three of the opposite sex, where all four bedrooms available for the children can be shared by either a girl and boy who are both under 10 years or two children of the same sex regardless of age • eight children with four girls and four boys • one of the reasons for being eligible for a four bedroom property plus one person (not the

lead tenant's partner or child), with or without a partner
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- 4.22. The Council will support tenants in deciding whether the size of any accommodation is affordable for individual families.
- 4.23. In general, the Council's bedroom standard is as follows;
- The bedroom standard allocates a separate bedroom to each: married or cohabiting couple adult aged 21 years or more, pair of adolescents aged 10-20 years of the same sex, pair of adolescents aged 10-20 years of the opposite sex;
 - A single parent is counted as a couple;
 - An unborn baby beyond the first trimester is counted as a child. The Council will require verifying documentation;
 - Single people will usually be offered one bedroom accommodation, studio/bedsit;
 - Two children of the opposite sex under 10 will be expected to share a bedroom.
- 4.24. **Tenants needing larger homes** – For households who require more than four bedrooms, the Council will work with them to consider alternative housing options on a case-by-case basis as there is limited supply of larger council-owned accommodation. For example, the family might wish to consider separate housing for adult children. Such housing situations will be approved by the Housing Demand Services Manager where appropriate.
- 4.25. **Tenants moving into a smaller property** - Under occupiers will qualify for an additional bedroom above their assessed need. For example:
- a tenant in a four bedroom property but the current housing need is assessed for a two bed, will be allowed to keep an additional bedroom and therefore will be offered a three bedroom property; or
 - a tenant in a three bedroom property but the current housing need is assessed for a one bed, will be allowed to keep an additional bedroom and will therefore be offered a two bedroom property.

To qualify for this offer, tenants should have a clear rent account and no history of anti-social or other unacceptable behaviour in their council tenancy.

Officers will complete an affordability assessment to ensure that the tenants can afford to pay the rent for the additional bedroom without discretionary housing payment on a long-term basis. Any shortfall will not be covered by the Council

- 4.26 **Group Moves** - Where it is possible and there is available supply, the Council will seek to facilitate group moves where two or more eligible tenants wish to be rehoused in close proximity to each other, if this is requested. This is to ensure existing communities and support networks can be kept intact so far as reasonably practicable. Tenants will be asked as part of their rehousing application if they wish to express this preference.
- 4.27. **Downsizing** – If a tenant chooses to move in to a smaller property that meets their housing needs as part of the Housing Regeneration Programme, they will be entitled to a downsizing payment of £1000 for the first room and £500 for any subsequent room returned to the Housing Service

TENANCIES

- 4.28. In September 2013 the Council introduced flexible tenancies. For most new Council tenants, the tenancies offered will be fixed term with a 12-month introductory period followed by a 5-year tenancy.
- 4.29. Council tenants moving under the regeneration programme into alternative council accommodation will retain the same tenancy rights as they currently have. This means that secure tenants will be offered a secure tenancy and flexible tenants will be offered another flexible tenancy.
- 4.30. For Council tenants who wish to change their tenancy status from a sole to a joint tenant, or from a joint to a sole tenancy, due to a change in household circumstances, which is agreed by the Council, then:
- 4.30.1. Where there is a joint tenancy and one of the tenants terminates the tenancy, a new tenancy will be issued on the same tenancy status as the previous joint tenancy.
- 4.30.2. Where there is a sole tenancy and the tenant wishes to add a joint tenant a new tenancy will be issued on the same tenancy status as the previous single tenancy.
- 4.31. A tenant on an existing flexible tenancy with an introductory period who is rehoused into another Council property will be granted another flexible tenancy with a continued introductory period from their previous tenancy.
- 4.32. **Tenants who move into a Housing Association property (Registered Provider accommodation):** tenants will be granted an assured tenancy in accordance with the policy of that landlord (i.e. periodic or fixed term tenancy). Assured tenancies give tenants similar rights as a Council secure tenancy but without the Right to Buy. Housing Officers will be able to provide more information on differences between Council and Housing Association tenancies.
- 4.33. In split household scenarios, secure tenancy provisions will remain with the primary tenant and any split household rehoused into a council property will be offered a flexible tenancy or the equivalent, which may be offered by Registered Providers.
- 4.34. The same principles will apply to those tenants opting to return to a new build home in the redeveloped area once completed and ready for occupation.
- 4.35. All Council tenancies will be granted in accordance to current legislation in operation at the time the tenancy is offered and in line with the Council's Tenancy Policy.

RENTS

- 4.36. Rents for new homes will be at Council rent levels set in accordance with then Government guidelines

5. NOTICES OF PROCEEDINGS FOR POSSESSION AND COURT POSSESSION ORDERS

- 5.1. Council tenants will note that the procedure for issuing formal Notice of Seeking Possession and Court Orders for Possession in order to ensure that legal and vacant possession of the site can be provided to the Council's development partner will be conducted on an estate-by-estate basis, with Notices and Court claims for possession being served on all tenants at the same time;
- 5.2. This will mean that, in some cases, Notices of Seeking Possession, and Court claims for possession may be commenced before Council tenants have received any offers of alternative accommodation under this Policy;
- 5.3. The Council confirms therefore that no Order for Possession will be enforced by the Council until such time as two offers have been made to Council tenants under this Policy, and any period of Review or Appeal has expired;
- 5.4. Legal and Court costs will not be sought against Council tenants save where a legal Defence is filed and the case is adjourned, or where it has been necessary to issue proceedings because two offers have been refused.

6. REVIEWS AND APPEALS

- 6.1. Applicants have the right to information about the decisions which are taken in respect of their rehousing application or suitability of the accommodation that has been offered. Applicants also have rights to review or appeal against rehousing decisions.
- 6.2. Applicants who are unhappy with a rehousing decision should in the first instance contact their Housing Officer who will be able to explain or clarify the situation, and whether there is a Right of Review or Right of Appeal, as set out in this Policy
- 6.3. Allocation and eligibility decisions under this Policy have a direct right of appeal to the Appeals and Reviews Officer
- 6.4. If the applicant is unhappy with the outcome of a Review, they can submit a formal appeal which will be considered by the Appeals and Reviews Officer, who is more senior than the original decision-maker, and who was not involved in making the original decision.
- 6.5. A request to appeal can be emailed to: housingapplicationappeal@havering.gov.uk. Where an applicant cannot make a request in writing; they can get help from their Housing Officer to do this on their behalf, or ask the Council to hear their case orally.
- 6.6. Applicants intending to make an appeal may want to take independent legal or specialist housing advice, for example the Citizens Advice Bureau or other advisory agency. Housing Officers will be able to provide guidance on how to access the services of independent advice agencies.
- 6.7. The formal appeal will be carried out on paper without an oral hearing and a decision issued within 14 days.

25 September 2017

APPENDIX 1 – LOW COST HOME OWNERSHIP INFORMATION

About Shared Ownership Schemes

Shared ownership schemes offer a way of part owning and part renting a property and is aimed at helping people who cannot afford to purchase a property on the open market.

To purchase a shared ownership home, applicants could use the funds from the sale of their property, any home loss payment (if entitled), any savings and any mortgage entitlement. An initial share of no less than 25% and no more than 75% of the full market value of the property would have to be purchased. Rent would be paid on the remaining share of the property which would be owned by the Local Authority, Housing Association or through a development partner. The rent level would be set by the provider. The rent that is paid could be no more than 3% of the value of the share in the property that is not owned.

Over time, the leaseholder can purchase further shares in the property which is otherwise known as 'staircasing'. In most cases they can if they wish, purchase additional shares up to 95% of the equity in the property.. The cost of increasing the share will depend on the value of the property at the time. Shared ownership leaseholders will have the normal rights and responsibilities of a full owner-occupier however will not usually be able to let or sub-let the property.

Prioritisation

In accordance to the Council's Shared Ownership policy, priority for shared ownership is given to:

- Existing social tenants in Havering, serving military personnel and former military personnel.
- Existing Havering residents
- Eligible applicants who work but do not reside in the Borough

Eligibility

In order to be eligible to purchase a shared ownership property in general, under the Help to Buy initiative applicants must;

- Have a household income of less than £80,000
- Be otherwise unable to afford a suitable property on the open market
- Be able to afford to purchase the largest share they can sustain alongside all associated housing costs
- Not be in rent arrears or in breach of their current tenancy agreement at the time of making the application (in the case of leaseholders, council tenants and private tenants)
In the case of private sector tenants, the Help to Buy agent must also be satisfied that the tenant has not had a history of rent arrears.

Freeholder's applications will be subject to assessment by Help to Buy agents and providers to determine whether they are in housing need and cannot comfortably afford an alternative home. This will be the Council's discretion.

To advise residents on general applicant eligibility and affordability for Help to Buy schemes, the Council will use Government's HCA 'Capital Funding Guide' (2016) which contains rules and procedures surrounding the delivery of affordable housing. The Councils rehousing officer will support applicants with registration on the Help to Buy Scheme for the locality and with initial assessment to ensure basic eligibility criteria is met. .

About Shared Equity Schemes

Shared equity schemes allow applicants to take out a low-interest equity loan which is added to a deposit amount when buying a property. A mortgage is taken on the remainder of the property price. Unlike shared ownership, buying a home with a shared equity loan could mean residents can own 100% of the property.

To purchase a shared equity home, resident leaseholders and freeholders would use the funds acquired from the sale of their home on the estate and any compensation to buy a property on a new development, continuing to invest the same level of mortgage borrowing that was held with the property on the estate.

If the cost of the new property is higher, then the Council or development partner of the scheme would hold on to a share of the property. No rent or interest would be charged on the share of the property that the Council or development partner would hold.

This means that resident leaseholders and freeholders could purchase a new higher value property without increasing their previous level of borrowing. If desired, using the funds acquired from the sale of the existing home, those affected could invest more in the new property.

Affected residents would have the opportunity to increase the share in the property over time by buying up the Council or development partner's equity share.

Eligibility

The eligibility for intermediate housing is determined by the London Mayor. The home that is purchased must:

- be a new build
- have a purchase price of up to £600,000 in England (or £300,000 in Wales)
- be the only one that is owned by the household
- not be sub-let or rented out after purchase

Applicants would need at least a 5% deposit and would need a mortgage of up to 75%. The government may lend up to 40%. Equity loan fees will have to be paid and the loan itself will have to be paid back after 25 years or when the home is sold, whichever comes first, where the amount that is paid back will depend on the market value of the home at the time of sale.

Selling a shared equity home

If leaseholders wanted to sell their new shared equity home, they would keep their share of the proceeds and the Council would keep its share it has in the property. Any increase in property value would be shared between the leaseholder and council according to the proportion of equity owned by each party.

If a leaseholder owned 60% of the value of the property, they would therefore receive 60% of the value if sold and any increase in value.

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Havering
LONDON BOROUGH

HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME

HOUSING REGENERATION PACK

(3) Regeneration Decant Policy & Possession Procedure (Proposed)

This document provides information on the implementation of the decant procedure and the obtaining of Court Orders for possession in advance of the start of housing regeneration works.

1. APPLICATION OF POLICY

- 1.1. This policy applies to all secure and introductory Council tenants who will lose their home on either a temporary or permanent basis as a result of the Council's Housing Regeneration Programme.
- 1.2. The following sites have been identified as part of this Programme, although properties or estates may be removed or added to the Programme as it progresses:

Table 1.2: Sites identified as part of Housing's Regeneration Programme	
Site	Total Number of Affected Units*
1. Waterloo Road Estate	285
2. Napier House and New Plymouth Estate	98
3. Maygreen Crescent and Park Lane Estate	93
4. Oldchurch Gardens Estate	84
5. Chippenham Rd, Farnham Rd and Hildene Ave	57
6. Queen Street Sheltered Housing Scheme	31
7. Maygreen Crescent and Park Lane Sheltered Housing Scheme	40
8. Solar, Serena, Sunrise Court Sheltered Housing Scheme	55
9. Brunswick Court Sheltered Housing Scheme	47
10. Dell Court Sheltered Housing Scheme	29
11. Royal Jubilee Court Sheltered Housing Scheme	79
12. Delderfield House Sheltered Housing Scheme	14
13. Delta TMO	60
14. Bridge Close	37
TOTAL	1009

** The total number of affected units is an estimated figure (as at September 2017). It includes Council tenanted dwellings, leasehold and freehold properties. This estimate is constantly changing as the letting and buy-back of properties takes place.*

- 1.3. Full details of the re-housing options for Council tenants are set out in the Housing Regeneration Programme Local Lettings Plan.
- 1.4. This policy does not apply to Leaseholders or Freeholder owners who will be able to access a dedicated resource to help them through this process and to complete a claim for compensation and Home Loss Payment
- 1.5. This policy does not apply to non-secure tenants living in temporary accommodation provided by the Council under its homelessness or homelessness prevention duties under Part VII Housing Act 1996 or Homelessness Reduction Act 2017 who will be assisted by the Council's Housing Advice and Homelessness Service.
- 1.6. This policy does not apply to private tenants occupying affected properties who will be given advice and assistance by our Housing Advice and Homelessness Team, if necessary, to find alternative privately rented accommodation. Private tenants must make a formal application to the Housing Demand Service for assistance. If they do make such an application, they will be assessed in the usual way, in accordance with homelessness legislation and Government codes of guidance.

2. PHASED DECANT PROCESS

- 2.1. Council tenants who need to be decanted from their homes permanently as a result of the Council's Housing Regeneration Programme will be moved in a planned way.
- 2.2. Each development will have its own phased plan and timetable which will impact and influence the re-housing options available to Council Tenants. For example, it may mean that on some sites or Schemes where regeneration or development occurs that this will happen in Phases with some blocks being demolished before others.

3. TENANTS RETURNING TO NEW-BUILD PROPERTIES

- 3.1. Although there is no legal requirement for the Council to give Council tenants the option to return to the redeveloped site, we are committed to helping those that wish to remain in the area or return to the renewal estate to do so, wherever possible.
- 3.2. Existing secure (& introductory) Council tenants whose homes are due to be demolished will have priority for the new replacement homes being provided on their Estate before they are made available to any other applicants, subject to housing need.

- 3.3. For tenants who have chosen to return to one of the new-build properties, the construction phasing of the regeneration programme may mean that tenants are unable to move directly into a new home on the same site or Scheme as new units may not be ready until later in the redevelopment process.
- 3.4. In these circumstances tenants will have the choice to move to another home temporarily until the new-build property is ready or to move to another Council home permanently.
- 3.5. On other schemes where demolition and construction happen in separate phases, we expect that some tenants in the latter phases will have access to new homes from earlier phases and will not require temporary re-housing. Please also note that not all redeveloped sites or schemes will offer sheltered housing schemes.

4. PROCESS FOR ALLOCATION OF ALTERNATIVE HOUSING

- 4.1. Once Decant Status is authorised, Council tenants will be placed in the **Emergency Rehousing Band** on a phased basis and will receive up to **two direct offers** of alternative housing.
- 4.2. If the second offer is unreasonably refused then a further offer of accommodation will only be considered in exceptional circumstances, and the Council may commence proceedings for possession immediately.

5. SECURITY OF TENURE WHILST IN TEMPORARY ACCOMMODATION

- 5.1. Tenants occupying temporary accommodation will not be returning to their former homes due to their demolition as part of the regeneration programme. Tenants moved into temporary accommodation will be provided with the same security of tenure in this instance that they had at their original home either as a lifetime or flexible fixed term tenant. The tenancy will however will include a provision that the property is provided as temporary accommodation and requiring the temporary tenant to move to the permanent accommodation once this becomes available.

6. SECURITY OF TENURE IN PERMANENT ACCOMMODATION

- 6.1. When tenants are moved permanently to alternative accommodation they will take on a new tenancy, with their original tenancy status, either secure lifetime or secure fixed term/flexible tenancy depending on the original terms of their tenancy.

7. NOTICES OF SEEKING POSSESSION

7.1. The Housing Act 1985 requires that the Council serve Notices of Seeking Possession upon tenants prior to seeking possession for the purposes of housing regeneration and development.

7.2. The Council will rely upon Ground 10 Schedule 2 Housing Act 1985 which provides that it is a ground for possession where:

“The landlord intends, within a reasonable time of obtaining possession of the dwelling-house—

(a) to demolish or reconstruct the building or part of the building comprising the dwelling-house, or

(b) to carry out work on that building or on land let together with, and thus treated as part of, the dwelling-house, and cannot reasonably do so without obtaining possession of the dwelling-house.”

7.3. Depending upon the development scheme, the Council may also rely upon Ground 10A:

“The dwelling-house is in an area which is the subject of a redevelopment scheme approved by the Secretary of State or the Regulator of Social Housing or Scottish Homes in accordance with Part V of this Schedule and the landlord intends within a reasonable time of obtaining possession to dispose of the dwelling-house in accordance with the scheme”

7.4. It is anticipated that Notices of Seeking Possession will be served up to 12 months' prior to the Council requiring possession to commence the redevelopment.

7.5. If there are other breaches of tenancy, then other Grounds for Possession may be included in the Notice.

8. COURT POSSESSION ORDERS

8.1. In order to ensure the smooth hand-over of the site to the Council's development partners to commence demolition and construction on time, the Council will commence possession proceedings against Council tenants up to 12 months' prior to requiring vacant possession.

- 8.2. Possession claims will be issued against all Council tenants on a site-by-site basis. It is likely that at the time that possession claims are commenced, not all Council tenants will have received their direct offers.
- 8.3. Possession Orders which are obtained against secure tenants will not be enforced until such time that the tenant has received the offers to which they are entitled.

10. COURT COSTS

- 9.1. The Council will not seek to recover any Court or legal costs in respect of the decanting process against tenants.
- 9.2. However, where a tenant files and serves a formal Defence which results in the possession claim being adjourned to another date or on directions for trial, then the Council may apply to the Court for its legal costs from the tenant.

10. DOWNSIZING

- 10.1. If a tenant chooses to move in to a smaller property that meets their Housing needs as part of the Housing Regeneration Programme, they will be entitled to a downsizing payment in accordance with the Council's current Downsizing Policy for any subsequent room given back to the Housing Service

11. HOME LOSS PAYMENTS AND DISTURBANCE COMPENSATION

- 11.1. Tenants who are decanted for works may be entitled to statutory Home Loss or Disturbance payments. Further information will be provided by the Council in its published Housing Regeneration Programme information.

12. THE TENANT'S RESPONSIBILITIES DURING DECANTING

- 12.1. Where a tenant is decanted, they will be expected to pack up all their belongings: a free packing service can be provided upon request.
- 12.2. Tenants must ensure that they have taken steps to ensure that their fridges and freezers are cleaned, having been emptied and defrosted, if necessary, before the removal company is due to arrive.

- 12.3. If the tenant is being transferred to alternative accommodation, they will be responsible for clearing their belongings from the property and for giving vacant possession of that property. Any items left behind will be cleared and there will not be any opportunity to reclaim them, or to claim compensation to the value of them. The cost of clearance and disposal of any items will be recharged to the tenant.
- 12.4. The tenant is required to provide access to contractors, as necessary. They must also take responsibility for their own fixtures and fittings or DIY improvements, unless the property is to be demolished, in which case they must sign a disclaimer stating that they do not require any compensation for the loss of these items. There will be a pre-void visit where such items will be identified and the tenant informed about the work that is required before they move out. Failure to undertake such work could result in the tenant being recharged, in accordance with the appropriate policy.
- 12.5. The tenant is expected to make other members of their household aware of the decant arrangements and to move on the agreed date. In addition, they must make appropriate arrangements for any pets and ensure they are not abandoned in the property after they have moved out.
- 12.6. If the household has home contents or other insurance, the tenant is advised to notify their insurance company about the change of address.
- 12.7. Tenants are expected to take appropriate steps to clear any areas where work is to be undertaken.

13. VULNERABLE TENANTS

- 13.1. Where we deem a tenant incapable of being able to facilitate the removal and storage of curtains and carpets for themselves (where the tenant is vulnerable), and if it is reasonable to assume that the carpets in the existing property will be damaged during the works in any room, these will be lifted and stored by a nominated contractor. Following completion of the works, the contractor nominated by Housing Services will arrange to re-lay them. *Liability for the damage to the carpets will remain with the contractor.*
- 13.2. In such instances, we will nominate a contractor to remove all curtains that it is reasonable to expect will be affected by the works and make arrangements for storage.
- 13.3. The liability for damage during storage in respect of the curtains and carpets will rest with the nominated contractor's insurers.

- 13.4. Tenants who are capable of doing this themselves will be expected to do so and we will not be offering any removal, storage or re-fit service except where a tenant is vulnerable.
- 13.5. The Council will cultivate the garden of the decanted property to a reasonable standard if it becomes overgrown during the period it is empty, where the tenant is incapable of doing this for themselves because they are vulnerable. This will be done before the tenant moves back in. Where there is no vulnerability on the part of the tenant, this remains the responsibility of the tenant and we will not be offering this assistance.

14. MONITORING AND REVIEW

- 14.1. This policy will be reviewed in three years from the date it has been published and will be reviewed by the lead officer sponsoring this policy.

Housing Services

25 September 2017

HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME

HOUSING REGENERATION PACK

(6) Re-housing options for non-secure tenants in temporary accommodation

This document provides information on the Council's re-housing options for non-secure tenants accommodated by the Council under its homelessness duties, in temporary Council accommodation, privately leased or HMO properties affected by the Housing Regeneration Scheme

v.1

1. RE-HOUSING OPTIONS FOR NON-SECURE TENANTS IN TEMPORARY ACCOMMODATION

- 1.1. This document provides information to persons who are accommodated pursuant to the Council's homelessness or homelessness prevention duties under Part VII Housing Act 1996 (or the Homelessness Reduction Act 2017) in temporary accommodation.
- 1.2. This applies to tenants in non-secure Council accommodation, private-sector leased properties or tenants in Houses of Multiple Occupation (HMOs).
- 1.3. These categories of tenants are not included in the re-housing and allocation provisions of the Local Lettings Plan which only applies to secure and introductory tenants.

2. PRIVATE-LEASED PROPERTIES

- 2.1. For privately-leased properties, the Council will liaise with private owners for the termination of leases to ensure that vacant possession is provided for the purposes of the Housing Regeneration Programme.

3. RE-ASSESSMENT OF HOUSING NEEDS

- 3.2. The Council will support affected tenants through the Council's Housing Advice & Options Service to ensure that their needs are re-assessed, and if eligible, alternative accommodation provided.
- 3.3. The Council may also be able to offer financial assistance towards the costs of a tenancy deposit and first month's rent in a private rented home with a private landlord.



Havering
L O N D O N B O R O U G H

HAVERING COUNCIL'S HOUSING REGENERATION PROGRAMME

HOUSING REGENERATION PACK

(5) Information for private tenants

1. RE-HOUSING OPTIONS FOR PRIVATE TENANTS

- 1.1. This document sets out information for private tenants living in properties affected by the Housing Regeneration Scheme:

Summary of assistance for Private Tenants
<ul style="list-style-type: none">• Be offered timely re-housing advice through the Council's Housing Advice and Housing Options Team;• Be entitled to claim for the costs of moving out of the affected property providing specified criteria is met;• Subject to eligibility, apply for Council financial assistance to cover a tenancy deposit and first month's rent of a home in the private rented sector.
Rehousing Options
Option Move to alternative private rented accommodation with a private landlord (within or outside the borough)

- 1.2. The Council has no formal statutory obligation to rehouse private tenants of leaseholders or freeholders who are currently living in a property affected by the regeneration programme. This includes lodgers of tenants who are not considered to be part of the tenant's household. However, the Council is committed to offering relevant support to enable affected tenants to find a replacement home.
- 1.3. It is the Council's aim to ensure that tenants and their landlords are provided with regular open communication about the programme and estimated timescales.
- 1.4. The making of a Compulsory Purchase Order by the Council will have the effect of terminating any private tenancy agreements in affected properties.
- 1.5. The Council will assist private tenants through the Housing Options and Advice Service in order to find alternative suitable and affordable private rented accommodation. This can be arranged through referral to letting agencies and private landlords.
- 1.6. The Council's Housing Options Officers will provide tailored housing advice to enable private tenant understand their accommodation options
- 1.7. The Council's Housing Options Officer will work with private tenants to ensure those

affected understand the options available to them in a timely manner .

- 1.8. The Council's Housing Options and Advice Service will support affected tenants by providing details of local letting agencies operating in and outside of the borough, liaising with such agencies and landlords, helping households to complete applications and advising on benefit entitlements.

2. FIND YOUR OWN SCHEME

- 2.1. If eligible, the Council may also be able to provide financial assistance by paying deposit and first month's rent through its 'Find your Own' scheme.

25 September 2017

WATERLOO ESTATE UPDATE



AUGUST 2016

www.havering.gov.uk/askhousing
www.facebook.com/haveringhousing

Estate regeneration moves ahead

Havering Council has decided to move ahead with plans for a major regeneration of the Waterloo Estate.

Residents attending the drop-in consultation on Wednesday 20 July were largely supportive of proposals which will see the existing buildings demolished and a new, modern estate built on the site.

Havering Council's Interim Director of Housing, Neil Stubbings, said: "There is major investment taking place in central Romford over the next 10 years with the Romford Housing Zone, Crossrail improvements at Romford Station and the major transformation planned for Romford Market and we want to make sure that the Waterloo Estate is not left behind.

"We want it to be a place where people choose to live rather than one they wish to avoid. These proposals will help us achieve that objective while at the same time building extra Council homes for Havering people to rent."

Long term

Neil added: "This project will take place over a number



of years. It is likely to take at least two years before a development partner is in place and they will then need to work with us to design the new estate.

"We will be setting up a residents' group to work with us on the designs and layout of the estate so that it will meet peoples' needs as well as architect's ambitions.

"We are looking to build attractive homes that are energy efficient with modern facilities and built to a high standard in well-landscaped grounds – we want this to be an estate that makes us all proud."

During the next few months there will be a number of opportunities for residents to meet with us and discuss the plans and how they impact on them.

There will be drop-in meetings as well as the opportunity to book one to one meetings with Housing Services Community Engagement Officers.

More information is available at

www.havering.gov.uk/WaterlooEstate

Leaseholders can sell now

If you are a leaseholder living on the Waterloo Estate the Council is willing to buy your property as soon as you are ready to sell.

The package on offer will vary depending on your property but is likely to include:

- Market value for your property plus an extra percentage on top – possibly 10 per cent
- Payment of legal fees

- Other reasonably incurred costs if agreed before they are incurred

Every leaseholder should have received a letter from Havering Council's Interim Director of Housing, Neil Stubbings, explaining more about the offer available.

If you did not receive the letter please let us know using the form at www.havering.gov.uk/askhousing.

If you wish to arrange a meeting to discuss selling your property please complete the form at www.havering.gov.uk/askhousing and we will get in touch to arrange a meeting.

What happens next?

- We've organised a meeting so you can be updated on what is happening.
- The meeting will be from 6pm to 7pm so people at work can call in.
- There will also be the opportunity to have one to one meetings to discuss individual needs.
- Work is unlikely to start before 2018.



Come and find out more

The latest news about the regeneration of the Waterloo Road estate will be explained by Interim Director of Housing, Neil Stubbings at a meeting from 6pm to 7pm on Tuesday 6 September at The Salvation Army Hall, High Street, Romford, RM1 1JJ.

If you can't visit on the day please let us know using www.havering.gov.uk/askhousing and we are happy to arrange to talk about the options.



Individual Meetings

If you are a Council tenant and would like a one-to-one meeting to discuss your personal circumstances please log on to www.havering.gov.uk/WaterlooEstate and choose a time slot using the online booking form.

We will be holding the one to one meetings, between 10am and 6pm, at the CCTV Control Room, Waterloo Gardens, Romford, RM7 9BE on:

- Thursday 29 September
- Wednesday 19 October
- Thursday 20 October



The drop-in session on Wednesday 20 July saw residents meet with senior housing officers to discuss the proposals.

Who can I contact?

If you have a question about the consultation please email Chelsea.potts@havering.gov.uk
General estate enquiries www.havering.gov.uk/askhousing

Keeping in Touch

- You can keep in touch with the latest news and information from Housing Services through our email newsletter.
- Go to www.havering.gov.uk/enews and choose *At the Heart* online.



There is also information available at www.havering.gov.uk/WaterlooEstate
You can also 'Like' us on Facebook at www.facebook.com/haveringhousing



WATERLOO ESTATE UPDATE



NOVEMBER 2016

www.havering.gov.uk/askhousing

www.facebook.com/haveringhousing

Cabinet give go ahead to regeneration plans

At its meeting on Wednesday 12 October, Havering Council's Cabinet agreed the Housing Regeneration Programme should go ahead following three months of consultation with residents.

Residents had an opportunity to discuss the proposals with Havering Council Housing Services Interim Director of Housing, Neil Stubbings. He briefed them on the report at a meeting on Tuesday 6 September.

The Cabinet report agreed that in an early phase of the regeneration programme:

- The Waterloo estate in Romford, including the Queen Street sheltered housing scheme, should be redeveloped for general needs housing
- The Oldchurch Gardens estate in Romford should be redeveloped for general needs housing
- The Maygreen Crescent and Park Lane estate in Hornchurch, including the Park Lane sheltered housing scheme should be redeveloped for general needs housing
- Napier House and New Plymouth House, in Rainham, should be demolished and should be redeveloped for general needs housing



- Serena, Solar and Sunrise sheltered housing scheme, in Hornchurch, should be redeveloped as an older persons' village

Later in the programme:

- Two additional storeys of flats be built on top of existing flats above shops in Chippenham Road, Farnham Road and Hilldene Avenue
- Royal Jubilee Court sheltered housing scheme should be redeveloped as an older persons' village
- Dell Court sheltered housing scheme should be redeveloped as flats for older people
- Delderfield House sheltered housing scheme should be redeveloped for general needs housing and
- Brunswick Court sheltered housing scheme should be redeveloped as extra care and dementia care sheltered housing.

These proposals and timescales are subject to discussion with the Council's development partner, following their appointment which is expected to be in late 2017.

More information is available at www.havering.gov.uk/WaterlooEstate



Help to buy your own home

If you have been Council tenants for five years or more, and meet certain conditions, you could get up to £30,000 towards the purchase of a new home.

This allows you to purchase a home in any area you choose but does require you to give up your secure tenancy with the Council.

If you are interested in more details do contact Chelsea.potts@havering.gov.uk.

Next meeting

The next meeting to brief residents on the proposals will be from 6pm until 7pm on Wednesday 23 November at The Salvation Army Hall, High Street, Romford, RM1 1JJ.

If you can't make that meeting please let us know using

www.havering.gov.uk/askhousing and we will be happy to arrange to talk to you about the options.



Council to issue Demolition Notices

Following a Cabinet decision on Wednesday 12 October 2016 to proceed with a Housing Regeneration Programme to build more than 2,500 new homes in Havering during the next 10 years, Demolition Notices are set to be delivered to around 900 properties including all properties on the Waterloo estate.

The Demolition Notice is a formal, legal document the Council must serve on tenants telling them they intend to demolish the building which includes the tenant's home and it must explain why the Council is planning to carry out the demolition.

The issuing of Demolition Notices is a formal process the Council must do but it does not mean bulldozers will be moving in next week.

Indeed work is not likely to start on any of the Housing Regeneration Programme sites until 2018 but these notices must be served now so tenants know what is happening and to suspend any further Right to Buy applications on the estates which will be regenerated.

Every resident who receives a Demolition Notice will also receive an information sheet and is able to have a one to one meeting with a Council officer who will be able to answer any further questions they may wish to raise.

More information:

www.havering.gov.uk/HousingRegeneration

Leaseholders can sell now

If you are a leaseholder living on the Waterloo estate the Council is willing to buy your property as soon as you are ready to sell.

Already several residents have had valuations done for their property and are hoping to move to their new homes before Christmas or early in 2017.

The package on offer will vary depending on your property but is likely to include:

- Market value for your property plus an extra percentage on top – possibly 10 per cent
- Payment of legal fees
- Payment of Stamp Duty



- Other reasonably incurred costs if agreed before they are incurred

If you wish to arrange a meeting with our specialist officer, Ian Nolan, to discuss selling your property please complete the form at

www.havering.gov.uk/askhousing and we will get in touch to arrange a meeting.

Resident's Group formed

Around 20 residents from across the Waterloo Estate attended a meeting to launch the Resident's Group.

The meeting elected Shane Marshall as Chair and Brian Moore as Vice Chair.

This group will be consulted by the Council regarding future plans for the estate regeneration between the normal meetings for all residents.

Who can I contact?

If you have a question about the consultation please email Chelsea.potts@havering.gov.uk
General estate enquiries www.havering.gov.uk/askhousing

Keeping in Touch

You can keep in touch with the latest news and information from Housing Services through our email newsletter.

Go to www.havering.gov.uk/enews and choose *At the Heart* online.



There is also information available at www.havering.gov.uk/WaterlooEstate

and on the Housing Regeneration Programme at www.havering.gov.uk/HousingRegeneration

You can follow us on Twitter [@LBHHousing](https://twitter.com/LBHHousing)



You can also 'Like' us on Facebook at www.facebook.com/HaveringHousing



CABINET

Subject Heading:

Regeneration Programme – Council Structure to support Capacity, Delivery and Management

Cabinet Member:

Cllr Roger Ramsey
Cabinet Member Regeneration and Leader of the Council

SLT Lead:

Andrew Blake-Herbert, Chief Executive

Report Author and contact details:

Andrew Blake-Herbert, Chief Executive

Policy context:

**Havering Housing Strategy
Havering Economic Development Strategy
HRA Business Plan
Rainham and Beam Park Planning Framework, 2016
Havering Proposed Submission Local Plan 2017**

Financial summary:

Growth implications are factored into the Council's MTFS

Is this a Key Decision?

YES

When should this matter be reviewed?

Autumn 2020

Reviewing OSC:

Towns and Communities OSC

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

1. The Council is embarking on an ambitious regeneration programme, and is likely to enter into three joint ventures (“JV”) with private sector partners (which were the subject of Cabinet papers and approvals in November and December 2017), and a further paper to this January 2018 Cabinet. It also has a wholly-owned development company, Mercury Land Holdings Ltd, which has its own extensive development programme. This paper provides a context for the overall programme, sets out the cumulative governance implications for the Council, identifies key issues to be considered and recommends a governance structure to ensure that the Council’s best interests are protected.

RECOMMENDATIONS

That Cabinet:

1. **Notes** the Chief Executive’s proposed changes to the Councils senior management structure.
2. **Approves** the Governance structure and arrangements described in section 6 of this Report.
3. **Agrees** to delegate to the Leader, after consultation with the Chief Executive, the appointment of the Council’s officer nominees to represent the Council on the three JVLLP boards.
4. **Agree** to delegate to the Leader, after consultation with the Chief Executive, any future changes to the appointment of nominees to represent the Council on the JVLLP boards or as its directors on the Mercury Land Holdings Limited board.
5. **Agrees** to indemnify its nominees to the JV LLP Boards (once the JVLLPs are set up) and the directors of Mercury Land Holdings Limited under the Local Authorities (Indemnities for Members and Officers) Order 2004.
6. **Notes** the budget implications of these changes as detailed in section 10 of this report, and that they are reflected in the Council Medium Term Financial Strategy for agreement in the February Council Tax setting meetings.

REPORT DETAIL

2. Background and Context

2.1 Between November 2017 and January 2018 the Council's Cabinet will have received proposals relating to:

- **Bridge Close JV** (See November 2017 Cabinet paper entitled "Bridge Close – Entering into a Limited Liability Partnership") – a 50/50 joint venture being set up with First Base BCR to deliver a circa 1070 unit residential scheme in central Romford. The joint venture ("JV") will be a Limited Liability Partnership in which the Council will hold a 50% stake and have 50% of the voting rights (the partner having the other 50%). The Members' Agreement envisages the parties sharing risk and reward equally under the project. Draft legal documentation for the JV is currently at an advanced stage and Cabinet approval to establish the JV was obtained at the November Cabinet.
- **Rainham JV** (See December 2017 Cabinet paper entitled "Rainham and Beam Park Housing Zone – Appointment of a Joint Venture Development Partner") - a 50/50 joint venture being set up with Notting Hill to deliver a circa 766 unit residential scheme. The JV will be a Limited Liability Partnership in which the Council will hold a 50% stake and have 50% of the voting rights (the partner having the other 50%). The Members' Agreement envisages the parties sharing risk and reward equally. Draft legal documentation for the JV is currently at an advanced stage and Cabinet approval to establish the JV was obtained at the December Cabinet.
- **12 housing sites JV** (A Cabinet paper is scheduled for January 2018) - a 50/50 joint venture is to be set up with a development partner still to be selected (the procurement process remains in progress at the time of writing this Report) to undertake 12 separate housing renewal schemes on HRA housing estates. The JV structure and risk and reward sharing will be on the same general basis as Bridge Close and Rainham.
- **Mercury Land Holdings (MLH)** (See November 2017 cabinet paper entitled "Mercury Land Holdings Business Plan") – an arms-length wholly-owned subsidiary of the Council, set up to develop a portfolio of homes for market rent (its primary focus) and sale. Its current development programme includes Cathedral Court and North Street Hornchurch, with other sites identified within its pipeline and noted in its Business Plan. The Board of Directors appointed by the Council (as approved by Cabinet at the November 2017 meeting) is made up of the Council's Chief Executive (acting as the Managing Director of the MLH Board), the Head of Property Services at OneSource, the MLH Development Manager, the MLH Project Manager, the MLH Finance

Officer, and an independent expert. MLH was established in November 2015 and to date has delivered 65 fully let PRS rental units in Romford and obtained planning permission for another 44 units in Hornchurch.

2.2 Collectively, the three JVs and MLH are anticipated to:

- Deliver over 4,700 new homes, including 1,790 affordable homes.
- Generate up to £28.9m in profits and land receipts to the Council between 2017/18 and 2025/26, and £27.8m for the Housing Revenue Account over the same period.
- Require the Council to invest up to £96.24m (of which £33m is for the 12 estates HRA scheme) alongside its development partners (see Financial Implications section at paragraph 9 below).
- Enable difficult to deliver sites to be brought forward with Council intervention, using CPO powers, and various funding sources, including GLA funding.
- Enable the Council to influence the quality of the developments carried out, in its capacity as 50% owner of the JV LLPs or as sole shareholder (in the case of MLH), as well as in its capacity as planning authority. This is key to ensuring high design standards and quality place-making, ensuring that the JVs and MLH deliver neighbourhoods that people will aspire to live in, not just when they are new but when the neighbourhoods are 30 years old.

3. Governance Arrangements

3.1 The individual Cabinet papers provide summaries of the legal structure of each JV partnership and the legal agreements that establish them. Each of the JV LLPs will have a Board made up of nominees appointed by the LLP Members, and on a basis that means equal representation and voting rights (with no casting vote). These LLP Boards will be responsible for:

- Developing and approving business plans which detail how the LLP will undertake the developments each has responsibility for. These plans, and any material amendments to them, will be subject to approval by each of the LLP members (and in the case of an overarching plan, not less than annually). The JV LLPs will appoint a development manager to prepare and then implement the business plans (and undertake certain operational actions within the scope of the relevant approved business plan).
- Any activity which falls outside the scope of the approved business plans (or which, under the terms of the LLP Members' Agreement needs to be referred back to the LLP members) will require the approval of the LLP

members and, in the case of the Council, be dealt with in accordance with the Council's delegations arrangements.

- Preparing and approving scheme viability appraisals, and agreeing changes to these during the development process (within the tolerances set by the Business Plan).
- Dealings with the Council in respect of the terms upon which JV Co acquires land from the Council.
- Dealings with the Council in respect of the terms of any State aid compliant loans from the Council to JV Co.
- Decisions in relation to the key steps in the development process, such as purchase of property, entering into key contracts, submission of planning applications, appointing professional consultants, undertaking tenders, entering into building contracts, sale of property, marketing, PR and communications, delivering programmes to support local labour and apprenticeships etc.
- Monitoring and reporting performance against key performance indicators (or equivalent) set out in the relevant Business Plan.
- Preparing accounts.
- Distributing proceeds from the development to meet development costs, make repayment of LLP member loans (if any), etc. prior to distribution of any surplus on a 50/50 basis.

3.2 In the case of MLH, its role is similar, with the notable difference that there is no joint venture partner and the development management function is either drawn from the Council or more typically by way of appointment of external consultants. It is subject to its Articles and a shareholder agreement which regulates the extent to which it may operate without reference back to the Council.

4. Issues for Consideration

4.1 The Council will need to appoint nominees to sit on each of the joint venture LLP Boards. As nominees, they will have a responsibility to act in the best interests of the JV LLP. Likewise, the Council appoints directors to the Board of MLH and they have similar statutory duties to act in the best interests of that company.

4.2 At times, and in relation to any LBH officer nominee or director, this obligation could conflict with their duty (as LBH officers) to act in the best interests of the Council. The 4th and 5th bullets in paragraph 3.1 above are examples of this, but the conflict could arise on other matters.

- 4.3 This “conflict of interest” consideration arises both in relation to officers and elected members appointed as nominees or directors. The legal implications section of this Report explains this in detail (including the important distinction between officers and elected members in that regard), and also addresses how such conflict is best managed. Moreover, in relation to the JV LLPs the Members’ Agreement entered into between the Council and its partner expressly recognises and deals with potential for a conflict of interest at LLP Board level. In other words, the challenge of managing and avoiding “conflicting interests” is an important factor in how the Council establishes its governance arrangement for the JV LLPs and MLH.
- 4.4 Equally important in considering the most suitable governance arrangement are four further factors, namely:
- (i) **Disputes and deadlock** – ensuring that where a dispute or deadlock arises between the parties in the JV LLPs, or between the JV LLP and the Council, there are senior representatives of the Council able to act in the resolution of that dispute prior to it being referred externally. A similar consideration applies to MLH. In brief, the Council should take into account the desirability of having officers/members of sufficient standing to be able to engage in the resolution of a dispute to which they have not been a party. Against this should be balanced the desirability of having senior officers of the Council acting as its nominees so as to minimise the likelihood of disputes/deadlock occurring in the first place.
 - (ii) **Pre-determination and bias** – as a matter of law, and as good practice, the Council must avoid (and be seen to have avoided) the pre-determination of matters on which it should exercise an unfettered discretion, or a bias in the way matters have been addressed. The most obvious example of this being decisions in relation to planning applications made by a JV LLP or MLH to the Council. The Council would be at risk of legal challenge if it could be shown that a decision has been subject to “bias or pre-determination” due to the overlapping and conflicting duties of those appointed to a JV LLP Board (or MLH Board).
 - (iii) **Competing objectives of the JV LLPs and MLH** – there may be occasion where the JV LLPs (and/or MLH) are all seeking Council decisions on a matter which overlaps two or more of them. For example, the JV LLPs and MLH may be seeking financial support from the Council in some form, or may be competing with each other at an operational level (the most salient example being where they may be offering housing units to the market in actual or notional competition with each other).
 - (iv) **Intelligent client** – the means by which the Council engages with the JV LLPs and MLH, including how it supports the nominees and

directors appointed to them, as “client”, is an important factor and has a bearing on where roles and responsibilities are best allocated.

- 4.5 In summary, whilst the commercial interests of MLH and the JV LLPs are largely aligned with those of the Council, they may sometimes conflict slightly with the wider regeneration objectives of the Council. High quality place-making and affordable housing provision are two examples of issues where the Council might seek a more optimum solution than independent commercially-driven companies or the JVLLPs might naturally seek.
- 4.6. Notwithstanding the governance structure put in place, residents will see the regeneration programme as a Council-sponsored programme and will expect the Council to be in control of it. They will expect the programme to deliver the best results for residents. Where tension exists between commercial drivers and the best results for residents, the Council, within the governance framework adopted, needs the ability to seek the best outcome.
- 4.7. In addition, the Boards of the JV LLPs and of MLH will need to be resourced. They will probably each meet monthly. Papers will need to be prepared, circulated, read and understood by the Nominees/Directors, minutes taken and actions monitored. Senior officers and lead members need to fully understand the legal agreements that exist, including JV LLP Members’ Agreements and the associated agreements, such as land assembly agreements and CPO Indemnity Agreements, as well as the important agreements that the businesses themselves will enter into (e.g. for development management services, construction, finance, and so on). These can sometimes be quite complex and there will be a lot of them.
- 4.8 Section 10 of this Report sets out the legal implications and risks. It has bearing on how the recommended governance structure has been designed.
- 4.9 Tax implications, including corporation tax, stamp duty, VAT (on land transactions and construction costs) need considering and will be subject to the detailed agreements reached on each project. Further advice may be needed as legislation changes and there will be a need for ongoing specialist financial and tax advice.

5. Overarching Council Capacity and Structure

- 5.1 The Council is clearly entering into a new area of joint ventures that it has not participated in previously, as well as development activity via MLH, and the value of the developments to be undertaken will be in excess of £2.5 billion over a ten year period. It is necessary to ensure that the right levels of capacity as well as capability and appropriate skills, are in place to support and deliver these significant programmes.

- 5.2 It is therefore proposed to create a new Directorate focused on regeneration programmes to help create the capacity to focus on these schemes, without the distraction of day to day services delivery.
- 5.3 There may also be perceived conflicts of interest within the current Regeneration service, with responsibility for Planning as well as Regeneration sitting alongside each other. Although all the right controls are in place, there may be a perception that there might be a conflict, so to further protect the Council's reputation it is felt appropriate to remove any risk of this perception and further separate the two functions.
- 5.4 It is also an opportunity to realign some of the other service areas which are not currently felt to be under the right Directorates, to create the right synergies going forwards. This new structure is set out in Appendix B.
- 5.5 Cabinet is asked to note the Chief Executive's proposed structural changes. Such changes are within the delegated authority of the Chief Executive.

6. Proposed structure to support the individual regeneration schemes

- 6.1. The structure proposed deals with three key areas, namely:
- (i) The arrangements in respect of appointment of directors to MLH and of nominees to the JV LLPs;
 - (ii) The establishment of a Client Board to act as formal interface between the Council and the JV LLPs and MLH;
 - (iii) A Steering Board to act as a member forum for more general strategic oversight and reporting.
- 6.2 In respect of the matters on which the Council has to make formal decisions and give its approval or consent (i.e. those matters which cannot be decided by the Boards of the JV LLP or the Board of MLH and are "reserved" to the Council as shareholder of MLH or which require the consent of the JV LLP Members), the structure would operate as follows:
- (i) in the case of each JV LLP, by way of referral to Cabinet unless capable of decision under an existing delegation or powers pursuant to the Council's Constitution; and
 - (ii) in the case of MLH, within the parameters of the Cabinet's decisions at its November 2017 meeting.

As such, the Council's formal decisions or approvals would be given by way of delegated powers or reference to Cabinet as appropriate in each case. The Cabinet's delegation of decision-making on MLH (as approved at the November Cabinet), reflects that the annual MLH Business Plan will be approved and will have had input from the MLH Board (appointed by the Council as sole shareholder). In the case of the JV LLPs, however, there will

be significant influence from the private sector partner's Board nominees, and from the development managers appointed by the LLP, and a consequent benefit in, and need for, Cabinet consideration of material matters requiring Council approval or consent.

Nominees on the JV LLPs

- 6.3 It is proposed that three senior officers should be nominated to sit as Nominees on each of the three JV LLP Boards. These Nominees would be granted the ability by the Council to act in the best interests of the JV LLP in compliance with their appointment to the JV LLP Board (and with the Members' Agreements), to avoid being technically in breach of their employment contracts.
- 6.4 Consideration has been given to having the same three officers on each JV LLP Board. This approach would help to create synergy and ensure that the joint ventures are run to the same standards, and that systems and processes are broadly the same. The Council Nominees will be then able to ensure that performance management and reporting is done in a consistent way across the programme, reducing the pressure on Council departments (finance, legal, and performance management) and on Lead Members, who could otherwise be overwhelmed by the complexity of managing three very different joint ventures.
- 6.5 However, there may be occasion where the interests of one JV LLP are not aligned with those of another, in which case identical representation may give rise to an actual or perceived "conflict of interest". This difficulty could be removed by having entirely different officers on each of the JV LLP Boards, however that presents a resources hurdle. On balance, the benefit of having the same Nominees on each JV LLP Board outweighs this potential issue. On any occasion where the JV LLPs have competing interests, the Nominees would declare that at the Board meeting and the issue would then be dealt with by referral up to the JV LLP Members (as a Consent Matter). Ultimately, the private sector partners in the three JV LLPs have to recognise and accept that there may be occasions where the Council, as stakeholder and investor in each JV, may have to reconcile and make decision on competing requests from the joint ventures.
- 6.6 In order to avoid conflicts of interest and accusations of pre-determination and bias (see paragraph 10.3), it is recommended that the Nominees to the JV LLP Boards should not be officers holding direct responsibility for matters on which the Council needs to retain its unfettered decision-making ability. The key areas where this will attach being planning, housing, and finance – where a quasi-regulatory function is involved and/or decisions require clear separation of function (e.g. decisions which may impact on the Council's budget or on Council tax for example).

Non-Executive Nominees/Directors

- 6.7 It is possible for Nominee places taken up by the Council on the JV LLP Boards to be external non-executive appointments, and the same is true with regard to the Directors appointed to MLH, if it is felt certain external expertise would be of benefit to the Council.

Client Board

- 6.8 It is proposed that a Client Board should be established within the Council. This Board will consist of at least three senior officers. This Board will be responsible for monitoring the performance of the joint ventures, undertaking or overseeing negotiations where necessary between the Council and the JV LLPs, and ensuring that the best interests of the Council are protected. The officers who sit on the Client Board will not be the same officers who sit on the JV LLP Boards. The Client Board will not have entirely equivalent responsibility for MLH, but will take account of any activity of MLH which may overlap with that of the JV LLPs.
- 6.9 It is envisaged that at least two of the Client Board members will attend each of the JV Board meetings as observers. They will not be entitled to vote, but they will speak at the invitation of the Board. Care will need to be taken to avoid this attendance creating a risk that the observers are acting as “shadow directors”, as that may give rise to personal liabilities on their part (which would be uninsured). Accordingly, the observers’ attendance would be strictly at the invitation of the Board, as would ability to speak. The JV LLP Boards should operate on a basis that means that any such attendance right may be dis-applied where a matter requires consideration without observers being present.
- 6.10 It is further envisaged that at least two of the Council’s JV LLP Board Nominees will attend the Client Board meetings. This will enable them to give consideration to matters going to, and give feedback on, the JV LLP Board meetings.
- 6.11 The key function of the Client Board will be to act as a forum for consideration of matters which may require a Council decision or approval in its capacity as JV LLP Member. This is because certain decisions, as set out in each of the Members’ Agreements, will be so-called “Consent Matters”, being matters which the JV LLP Board may not decide and which must be referred up to the JV LLP Members. There may be further occasions where matters are referred to the JV LLP Members in this way, such as where the Board is “deadlocked” and cannot reach agreement (bearing in mind the 50/50 block voting arrangement).
- 6.12 In relation to the making of actual decisions, the Client Board will act in advisory capacity only. Certain decisions may be made by an officer under the Council’s Scheme of Delegation in accordance with the Executive Procedure Rules. Key matters will generally be referred to Cabinet for

decision, such as the annual business plan of each JV LLP, and the site business cases as they emerge, together with any other such strategic decisions that may be required. In due course, it may be desirable to identify and approve a more detailed delegation scheme for how matters referred to the Council as JV LLP member are to be dealt with. This can be done after the three JV LLPs are established and early operational experience has been gained.

Regeneration [Board]

- 6.13 It is also proposed that a Regeneration Board should be established, consisting of elected members of the Council. This Board will meet not less than quarterly and will receive updates from the Client Board on progress across the programme. Officers will also update the Regeneration Board on any regeneration activity being undertaken by the Council outside of MLH and the joint ventures. The Regeneration Board will not have decision-making powers but will be made up of members of the executive. It will act as a forum in which the Council is able to consider and give direction to the Client Board and officers on the overlap between the activities of the JV LLPs, the work of MLH, and other projects being undertaken. This will help to ensure that the various housing, employment and skills, education, transport, health, and other social value synergies are being fully taken into account in how these businesses operate and each development scheme is undertaken.
- 6.14 The diagram below illustrates the structure:



Cabinet approvals – e.g. annual business



Lead Member Executive decision sign-off under delegation regime.

Regeneration Board

Member group with overarching role to set strategy across programme, consider synergies between the JV LLPS, MLH, and other projects. Considers and reviews business plans and business cases and the recommendations made to Cabinet.



Performance updates – on timescales, deliverables, and budget position.

Ensures that Council policy requirements and outcomes are being sought and clearly expressed, both on individual JVs and across programmes.

Client Board

Officer group to carry out the client-side function and to ensure the JV LLPS and MLH are delivering to time lines and respective business plans.

Also considers matters which are referred to the Council as "reserved" or "consent" matters under relevant Articles or Members' Agreement (or otherwise referred for decision).

Approves funding in line with approved annual business plan or site business cases.



Feedback from JV LLP Board and MLH Board.

Considers performance, programme, finance, and delivery.

Provides or procures technical advice and support to the Council's Nominees/Directors.

Council external interests

Council nominees/directors sit on respective Boards of JV LLPS and MLH. They represent the Council, but act in the best interests of each LLP/Company.



6.15 It is currently proposed that the appointments and representation under this structure will be as set out below. However, Cabinet is asked to delegate the appointment of nominees to the JV LLP boards, and of directors to the MLH board, to the Leader, after consultation with the Chief Executive. Likewise, Cabinet is asked to delegate to the Leader in consultation with the Chief Executive, any changes in the composition of the Client and Regeneration Boards. This is to allow changes to be made as necessary without reverting to Cabinet.

- **MLH Board:** The Articles provide for a minimum of 4 directors (see paragraph 2.1).
- **Bridge Close:** The Members' Agreement allows for the Council provides for a minimum of 2 and maximum of 3 nominees from both of the LLP members. It is intended that officers will be appointed as the Council's nominees, or (as one of them) a non-executive appointee.
- **Rainham and Beam Park:** The Members' Agreement will provide for 3 nominees from both of the LLP members. It is intended that officers will be appointed as the Council's nominees. The recommended delegation to the Leader (in consultation with the Chief Executive) of the appointment of nominees to all three JV LLP Boards will, if approved, include appointments to Rainham and Beam Park JV LLP, and therefore be in substitution for the approved recommendation in the December 2017 Cabinet Report whereby this was delegated to the Leader in consultation with the Director of Neighbourhoods.
- **12 Sites:** The Members' Agreement provides for three nominees from both of the LLP members. It is intended that officers will be appointed as the Council's nominees.
- **Client Board:** This officer group will comprise (as a minimum) the S151 Officer, Monitoring Officer, Director of Neighbourhoods, Director of Asset Management, and Communications Officer, plus their necessary officers in support and external advisers from time to time. As noted in paragraph 6.11, at least two of the Council's JV LLP Board Nominees will attend the Client Board meetings. The Director of Regeneration Programmes, or AD Development, will be on the Client Board if not appointed as a Council nominee on the JV LLP Boards.
- **Regeneration Board:** This Board will comprise three Cabinet members, with senior officers attending, drawn from the Client Board and with the JV LLP nominees in attendance. The initial composition will be; Leader, Lead Member Housing, and Lead Member Housing Development Company & oneSource Management.

6.16 In the case of both the Nominees to the JV LLP Boards and Directors appointed to MLH, the Council may give an indemnity pursuant to the Local Authorities (Indemnities for Members and Officers) Order 2004, and this is

recommended. This gives each such Officer (or elected member should that be the case) protection from personal liability when acting in their capacity as nominee/director, except where fraudulent or criminal activity is involved.

- 6.17 The will be annual report to Cabinet refreshing the business cases for each of the regeneration vehicles, and twice year all member briefing, to ensure all Councillors are kept up to speed with progress.

REASONS AND OPTIONS

7. Reasons for the decision:

- 7.1 By entering into joint ventures with the private sector the Council is able to harness the commercial expertise of an experienced partner and participate in the risks and rewards of property development. By appointing the proposed nominees to the JV LLP Boards, the Council can best seek to avoid the risk of accusations of pre-determination and bias when exercising decision-making as the Council. The nominees proposed have the necessary skills and seniority to act as Council nominees. However, if any of these officers are, for whatever reason, conflicted from making decisions in their capacity as officers, the Council is still able to rely on other suitably skilled officers to report and make recommendations. Moreover, these nominees ensure that the Client-side function is carried out by other senior officers.
- 7.2 The establishment of a Client Board will ensure that the Council's interests are protected, and that there is an effective interface between the JV LLPS (and MLH) and the Council, including where reserved or consent matters require decision. The Client Board will also ensure that the nominees and directors are properly supported and equipped to reflect the Council's position and make decisions when attending Board meetings.
- 7.3 The Regeneration Board will ensure that the Council has an ability to oversee and influence the strategic direction of its programme of regeneration, whether via the JV LLPS, MLH or through other projects. This will also mean that matters referred to Cabinet for decision, have had detailed prior scrutiny and that the overall synergies between each of the regeneration initiatives are being taken into account.

8. Other options considered

- 8.1 There are other permutations possible but certain factors which remain constant, namely:
- The Council has the right to appoint nominees to the Boards of each of the three JV LLPs and if it failed to do so would be allowing the private

sector partner to run these businesses without Council input. Therefore, under any model, these appointments need to be made;

- Likewise, MLH would be incapable of operating as a business without a Board of Directors;
- The nominees and directors need to have the necessary skills and support to perform their duties;
- The Council nominees and directors will have obligation to act in the best interest of the business they serve and to declare conflicts of interest;
- A conflict of interest could require certain officers and elected members with responsibilities inside the Council not to take part in a decision being made by the Council;
- At all times the Council must manage its position so as to avoid legal challenge based on “bias and predetermination”.

8.2 For that reason, the options considered but discounted are:

- i. Structures in which there is no clear distinction between officer/member functions as nominee/director on the one hand, and as Council decision-maker on the other; by way of simple example, a MLH Director should not be considering and approving a planning application to be submitted by MLH and then acting as the reporting officer recommending the grant of that permission.
- ii. Structures in which there is no adequate or properly resourced client-side function to enable arms-length engagement with the JV LLPs or MLH, and to support to the Council nominees/directors;
- iii. Structures in which there is no forum for regular and meaningful reporting to elected members and opportunity for dialogue on strategic matters;
- iv. Structures which fail to recognise and address the levels at which decisions should be made by the Council, balancing the need for timely decision-making with the need for decisions to be taken after the right degree of scrutiny and detailed assessment.

8.3 Consideration has also been given to whether Mercury Land Holdings should act as the Council’s holding company and whether it should enter into the JV partnerships on the Council’s behalf. It is considered however that given MLH is an arms-length company with its own board (as opposed to a shell company), this would create a complex structure and would dilute the Council’s ability to participate directly in decision-making within the joint ventures. It is therefore proposed that the Council should itself enter into the joint venture partnerships.

IMPLICATIONS AND RISKS

9. Financial implications and risks:

- 9.1 Financial matters are dealt with in the exempt part of this report (Appendix A).
- 9.2 The new staffing structure of the Regeneration Directorate, including the creation of the Director and the necessary roles to support the individual JVs will be funded from existing regeneration budgets, contributions from each of the schemes and the HRA, and growth in the Council base budget of £400K. This has been factored into the Councils Medium Term Financial Strategy for agreement at the Council Tax setting meeting in February.

10. Legal implications and risks:

Conflicts

- 10.1 Under the Local Government Act 1972 and Localism Act 2011, officers and members of a local authority are under certain obligations in respect of the declaration of conflicts of interest. Elected members are subject to the Havering Code of Conduct (adopted by the Council under the Localism Act 2011), and officers are subject to their contracts of employment. There is also a general principle of “pre-determination and bias” which is an important factor as explained below.

Members’ Code of Conduct

- 10.2 The Members’ Code of Conduct, among other things, deals with the notification and declaration of interests. In relation to the JV LLPs and MLH it is highly unlikely that any disclosable pecuniary interest will arise, but the Code expressly deals with other interests, including where a member has an interest by virtue of holding a position of general control or management of a body to which that member is appointed by the Council. Whilst it is legally possible for a member to continue to vote on matters before the Council in respect of a body on which they serve as nominee or director, this will not remove the risk of accusations of bias and pre-determination.

Pre-determination and Bias

- 10.3 The law on bias and predetermination is part of the general legal obligation on councils to act fairly. Predetermination arises where a person closes their mind to any other possible course of action, to the extent that they no longer apply proper judgment to the matter in question. Section 25 of the Localism Act 2011 seeks to avoid this being applied in an unreasonable way, and allows for the expression of opinion before an actual decision is made. In the case of the JV LLPs and MLH, there would be great difficulty in relying

on Section 25 where a Board decision had been made to pursue, for example, a planning application, and the same person was then involved in consideration of that application at a planning committee.

Directors' Duties

- 10.4 Equally important is the law on directors' duties, and the equivalent position in relation to LLP nominees. Under the Companies Act 2006, a director of a company must (i) act in accordance with the company's constitution and only exercise powers for the purposes for which they were conferred, (ii) act in a way in which he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members (which will be the Council), (iii) exercise independent judgment (this means that they are not able to merely act on instructions from the Council), (iv) avoid a situation in which he/she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company. By virtue of his/her status as an elected member or officer, a director appointed by the Council would not be able to avoid this conflict of interests arising in every situation.
- 10.5 The problems this may give rise to can be dealt with by way of an authorisation under Section 175 of the Companies Act, or pre-authorised under the company's articles. However, this will not avoid the pre-determination and bias factor mentioned above.

LLP Nominees

- 10.6 LLPs are governed by the Limited Liability Partnerships Act 2000, and under case law the nominees appointed by the LLP members will owe a duty of care to the LLP by virtue of the wording of the Members' Agreement. This will mean they owe a duty to the LLP in decision-making not different in character to that of a company director.

Officer duties

- 10.7 In relation to officers, S117 of the Local Government Act 1972 means that an officer is required to disclose to the Council any interest he may have in any contract or other matter, which would include contracts with a company where he is a director.
- 10.8 Unlike the Localism Act 2011 in relation to elected members, the requirement to act in the best interests of the Council and withdraw in the event of a conflict is purely contractual (through the contract of employment). The Council can therefore waive that requirement and instead direct the officer to act in the best interests of the company in the event of a conflict, and to authorise him or her to continue to act within the Council even though they hold an outside interest as a director. This waiver will be applied in the case of the Council officers appointed to the MLH Board and the nominees appointed to the three JV LLP Boards.

- 10.9 Again, this will not avoid the possible accusation of pre-determination and bias where an officer is both a nominee/director and, when acting as an officer of the Council, deciding on a matter which affects the JV LLP or company. In short, great care must be taken to make sure that undue influence is not seen to be exercised by an officer when matters affecting the company are being decided within the Council. Where matters are decided by elected members (i.e. at a council committee, such as the planning committee) who are not themselves connected to the JV LLP or company (for example, through being directors or nominees), this should be less of an issue. That is so provided the officers making recommendations to those members are not wholly conflicted by being both a director/nominee and the reporting officer seeking approvals.

Summary

- 10.10 There are a number of overlapping factors to take into account but the critical legal element is the avoidance of conflicts of interest and of accusations of pre-determination and bias. This is especially important in respect of quasi-judicial or regulatory functions such as the grant of planning consent.

Risks

- 10.11 The main risks are:
- 10.12 Pre-determination and bias, as explained above, giving rise to a legal challenge in respect of a decision, especially where that decision has bearing on third parties, such as in relation to planning, compulsory purchase, or the like.
- 10.13 Equally, there is a risk that the JV partners may see a conflict of interest as between the JV they are party to and the other JVs (or MLH). This risk is not entirely avoidable so far as the Council itself is concerned, but could be an issue where the same persons are serving on more than one JV LLP Board. This risk is unlikely to occur frequently, if at all, and can be addressed by reserving those decisions to the JV LLP Members.
- 10.14 Even short of actual legal challenge, it will be important to maintain public confidence in the Council's approach to running or participating in MLH and the JV LLPs. This requires a separation of function and clear lines of decision-making and engagement with these businesses. Whilst MLH is a wholly owned company of the Council, it is a separate legal entity and operating as a business. Its directors will owe a duty to act in the best interests of the company. When the Council deals with matters as sole shareholder, it may do so with its "investment" in mind. However, this must not interfere with the exercise of statutory discretions, for example in relation to planning applications made by MLH. Officers and elected members must therefore always be mindful of the capacity in which they may be acting,

avoiding conflicts of interests and actions which may give rise to accusations of pre-determination or bias.

11. Human Resources implications and risks:

11.1 Operating the joint ventures will require:

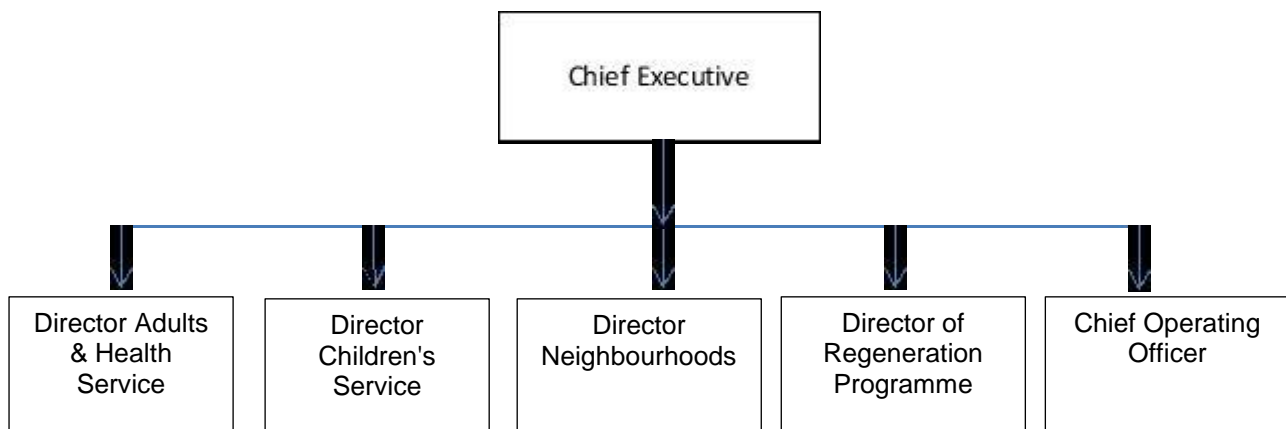
- Each of the three JV Directors to dedicate circa 20 hours per month to preparing for meetings, reviewing papers, attending meetings and engaging in strategic discussions across the three joint ventures and MLH
- The Director of Regeneration Programmes will dedicate the majority of their time to preparing for meetings, reviewing papers, attending meetings and engaging in strategic discussions across the three joint ventures and MLH.
- The AD Development will dedicate circa 40 hours per month to managing the client function.
- The other members of the Client Board will each need to dedicate circa 20 hours per month to preparing for meetings, reviewing papers, attending meetings and engaging in strategic discussions.
- Each vehicle will require 2 FTE officers (8 FTE in total including MLH) to undertake support work in relation to the JV. This will include monitoring performance, analysing scheme proposals and advising the Client Board, preparing papers for the Client Board, managing LBH-appointed consultants, coordinating input from Legal and Finance, supporting the Development Manager in dealing with Council-related matters such as land transfers, managing Member enquiries and managing stakeholder engagement. A restructure of the regeneration service will be required to establish this.
- The Client Board will require ongoing support from oneSource in the form of legal, finance and property advice.
- The Client Board will require professional support from external consultants including lawyers and accountants.

12. Equalities implications and risks:

- 12.1 The equality implications of the various schemes are addressed in the individual reports to Cabinet and the governance of those schemes proposed by this report seeks to ensure that those equality objectives are achieved. There are no equalities issues arising from the proposed structure for the management of those JV and company interests as set out in this report.

BACKGROUND PAPERS

Appendix B



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