

WANDSWORTH BOROUGH COUNCIL

HOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
20TH FEBRUARY 2017

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE – 22ND FEBRUARY 2017

EXECUTIVE – 27TH FEBRUARY 2017

Report by the Director of Finance and Deputy Chief Executive (on behalf of all the officers concerned) on the procurement of a Joint Venture Partner for the Winstanley-York Road Regeneration Project, SW11 (Latchmere)

SUMMARY

This report provides an update on the regeneration proposals for the Winstanley and York Road Estates. The report recommends awarding the contract to Bidder C. This follows a public procurement process conducted under the Competitive Dialogue route to select a development partner to work with the Council through a Joint Venture (JV) arrangement to deliver the Winstanley and York Road regeneration scheme.

An accompanying report also on this agenda (Paper No. 17- 67) sets out a range of further decisions which are required to be made in order to progress the Winstanley/York Road regeneration and the regeneration scheme for Alton Estate.

GLOSSARY

CPO	Compulsory Purchase Order
EIA	Equalities Impact Assessment
HROSC	Housing and Regeneration Overview and Scrutiny Committee
HRA	Housing Revenue Account
ISDS	Invitation to Submit Detailed Solutions
ISFT	Invitation to Submit Final Tender
OJEU	Official Journal of the European Union
OSC	Overview and Scrutiny Committee
PQQ	Pre Qualification Questionnaire
SSAD	Site Specific Allocations Document

RECOMMENDATIONS

1. The Finance and Corporate Resources Overview and Scrutiny Committee and the Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 2 below. If they approve any views, comments or additional recommendations on this report, these will be submitted to the Executive or appropriate regulatory or other committee for consideration.
2. The Executive is recommended –
 - (a) to accept the offer from Bidder C pursuant to the public procurement process, following the contract notice published in the Official Journal of the European Union (OJEU) in January 2016 and conducted under the competitive dialogue route to select a development partner to work with the Council through a Joint Venture (JV) arrangement to deliver the Winstanley and York Road regeneration scheme;
 - (b) to note the Council's responsibility for land assembly and the progress made in acquiring land interests and negotiating with existing owners and that if it is not possible to agree terms by negotiation, then a further report may be submitted to consider the case for compulsory purchase powers and other planning powers, including appropriation of land for planning purposes.

BACKGROUND

3. In March 2012, the Executive agreed (Paper No. 12-218) an ambitious programme of work to improve the physical environment and to raise the aspirations and improve the life chances of those living in the most deprived areas of Latchmere, Roehampton and Putney Heath Wards. Reports to the Housing and Finance & Corporate Resources Overview and Scrutiny Committees and the Executive in November 2012 (Paper Nos. 12-679 and 12-680) presented findings from initial resident consultation that identified low satisfaction ratings for the general environment of the Winstanley and York Road Estates and with some residential blocks particularly on the York Road Estate. On this basis, the Executive agreed to select masterplanning teams to bring forward masterplans for both Winstanley and York Road and for the Alton Estates.
4. Following an options assessment and consultation process with local stakeholders and residents, a report was presented to the Housing and Finance & Corporate Resources Overview and Scrutiny Committees and Executive in March 2014 (Paper No. 14-158). The report endorsed the Preferred Option for regeneration and improvement at Winstanley and York Road which had developed from the masterplan options process and set targets for the next stage of scheme development. Subsequent reports in January 2015 (Paper No. 15-8) and June 2015 (Paper No. 15-197), endorsed a Planning Parameters Document for the scheme and approved the

commencement of a competitive dialogue public procurement process to be advertised by a contract notice published in the OJEU to select a development partner to work with the Council through a JV arrangement to deliver the Winstanley and York Road regeneration scheme.

5. In September 2015 and November 2015, Paper Nos. 15-314, 15-427 set out the detail of the procurement arrangements and confirmed that the further development, approval and management of the public procurement process and of all the procurement and contractual documentation to be put in place for the JV arrangement should be delegated to the Director of Housing and Community Services in consultation with the Director of Finance. The report also confirmed that the key objectives of the project to regenerate the area to the benefit of existing and future residents of the Borough.
6. Bidders' final tenders have now been received and assessed. This paper reports back on the process and the successful preferred bidder and sets out the design, legal, financial and procedural terms on which the bidder has been selected.

THE PROCUREMENT PROCESS

7. Marketing of the site began in January 2016. Initial interest was sifted using a Pre-Qualification Questionnaire (PQQ) – 5 firms were shortlisted, from 7 that expressed an interest.
8. In May 2016 the Bidders' outline solutions were assessed and three of them were invited to submit detailed proposals via an Invitation to Submit Detailed Solutions (ISDS). A key requirement of this scheme is the delivery of a high quality development and a series of dialogue meetings were held to test the bidders' design and delivery solutions and their financial proposals and to develop a suite of legal proposals. Dialogue was formally closed on 9th December 2016 and bids were received and evaluated by mid-January 2017.
9. The final evaluation criteria are a mix of qualitative design and delivery issues, legal issues and financial issues. The questions to be addressed and the criteria for evaluation were set out in detail in the Invitation to Submit Final Tenders (ISFT). The ISFT is attached at [Appendix 1](#). The weighting reflects the Council's requirement to see a high quality scheme and not just the best financial offer.
10. The evaluation panel comprised the Director of Finance, the Assistant Director of Housing and Regeneration (Property Services) and the Assistant Director of Housing and Regeneration (Strategy and Development). The panel received supporting advice from GVA (commercial, design and delivery), Levitt Bernstein (design), Mott McDonald (cost consultant), Pinsent Masons (legal) and Grant Thornton (financial).
11. Following evaluation and moderation, the scores were as follows:

Category	Weighting	Bidder A %	Bidder B %	Bidder C %
A - Master planning and Design	18%	7.8	9.2	10.8
B - Planning	6%	2.4	3.6	4.4
C- Delivery	16%	6.6	9.9	9
D - Legal	20%	8	12	12
E – Financial Offer	40%	14.7	16.4	20.4
		39.46%	51.11%	56.60%

12. Fuller details of the evaluation and financial offers constitute exempt information (not for publication) and are, therefore, reported separately in Paper No. 17-66A.
13. Bidder C will, following the stand still period, become the Council's preferred bidder and the parties will finalise the Joint Venture legal agreements based upon the legal documentation discussed and submitted through the procurement process. Once completed, the Joint Venture will be created. It is proposed to offer Bidder B the opportunity to become a reserve bidder in the event that Bidder C fails to complete the legal documentation within a reasonable time for any reason.
14. The final terms of the agreement under which it is proposed to enter the Joint Venture arrangement will be reported back to committee and the Executive for approval.

THE JOINT VENTURE

15. For the reasons explained previously (Paper No. 15-314), a limited liability partnership (LLP) will be established as the legal vehicle for the Joint Venture. The Council's objectives for the creation of the Joint Venture remain as outlined in the previous reports which approved the procurement process.
16. The proposed legal structure of the proposed joint venture is set out in Paper No. 17-66A.

THE OUTLINE SCHEME

17. The Council set out its ambitions for development in previous reports prior to commencing the procurement and in particular within the Preferred Option for Development, (Papers Nos. 14-158, 15-8 and 15-197).

18. The Preferred Bidders scheme is considered as complying with the overall concept of the Preferred Option for development the details of which were set out in the Design Brief as part of the procurement documentation. This consideration is reflected in the assessment of the qualitative elements, and consequently in the evaluation scores. The preferred bidder had a pre-planning application meeting with planning officers which generated a good degree of confidence concerning the future planning strategy.
19. The key elements of the Council's objectives for the regeneration are considered able to be met by the scheme submitted by the successful bidders. Key elements include:
- (a) A re-modelled York Gardens at its heart;
 - (b) Re-provision of the social rent housing;
 - (c) Housing for resident owners who wish to stay in the area;
 - (d) New affordable housing and a mix of private rent and private for sale housing;
 - (e) Re-connects the area as part of the wider neighbourhood;
 - (f) Re-introduces a street based design lost when the estates were built;
 - (g) Produces a predominant housing design based on courtyard housing which is tenure blind has more doors onto the street, more cores and private outdoor amenity space;
 - (h) Is phased to enable the decant process, deliver a mix of benefits early and to enable the area to function effectively during the rebuilding process; and
 - (i) Produces a new leisure centre, library, community centre, children's centre and nursery in high quality facilities in the heart of the area alongside the park.

The scheme meets the Council's requirements for housing which were set at the start of the procurement process. That is:

- (a) The re-provision of 530 social rent units;
- (b) 100 additional new affordable rent units;
- (c) 100 additional new shared ownership units;
- (d) Shared equity housing sufficient to provide for resident owners who wish to remain; and
- (e) At least 300 Private rented sector units.

CAR PARKING PROVISION AT WINSTANLEY/YORK ROAD

20. By modern standards, current parking provision in the Winstanley/York Road estates is high. There are spaces on public highway none of which are subject to a Controlled Parking Zone (CPZ) and 429 parking spaces on housing land

(estate spaces) and as such reserved for estate residents. The estate spaces will be lost as a result of the regeneration. Parking surveys have shown that of these housing land spaces a maximum of 194 spaces (45%) were being used at a particular time. Given the close proximity of excellent public transport links at Clapham Junction, there will not be such a high relative level of parking provision within the new scheme. The majority of roads within the new scheme will be private and on-street parking will be provided on these private roads and other non-public highway areas for residents. The Council has stipulated within the procurement that a minimum of 170 of the, at grade, off public highway parking within the new development should be reserved for existing residents who are re-housed within the scheme to replace those lost on housing land.

21. The Council will seek to ensure that residents in areas of the estate not being redeveloped (Penge House, Inkster House, the remainder of Winstanley Estate) are not unfairly disadvantaged by the loss of estate parking which some residents currently use. Whilst residents of the remainder of Winstanley Estate still have other housing land parking areas, the residents of Inkster and Penge Houses may be affected in particular as they are within York Road Estate where all the current spaces will be lost. In order to address this Council will need to consider the form and nature of any additional on-street controls on the public highway both whilst the scheme is being developed and post scheme completion. The Council will need to take a proactive approach in anticipation of the likely issue. Proposals for consultation on a Controlled Parking Zone will be developed and presented to a future meeting of the Community Services Overview and Scrutiny Committee and the Executive in the usual way.

CONSULTATION AND ENGAGEMENT

22. The preferred bidder has submitted a plan for consultation and engagement with local residents. This will be detailed further during the negotiations to conclude the JV agreement. Key priorities for engagement with local residents will be to organise an initial 'Meet the Partner' event for all residents, establish a base for the JV to have a presence on the Estate, and to begin to develop 'meanwhile' initiatives that will promote a feeling of progress and change in advance of the commencement of major works.

PUBLIC SECTOR EQUALITY DUTY

23. The Equality Act 2010 requires that the Council, when exercising its functions, must have "due regard" to the need to eliminate discrimination, 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 persons who share a relevant protected characteristic and persons who do not share it. As such, an Equality Impact and Needs Assessment (EINA) was previously prepared for key decisions on the Winstanley and York Road regeneration scheme. These were the Preferred Option for development and the decision to procure a development partner to deliver the Preferred Option (Papers Nos. 14-158 and 15-8). Both papers also included

recommendations to develop the Residents' Offer. They evaluated the impact of these policies on race, gender, disability, age, religion and belief, and sexual orientation. They addressed both the positive and negative impacts of the policies and for the latter highlighted specific mitigation measures. The overall conclusion was that, based on the information available at the time, there were no major negative impacts on any equality strands.

24. The tenderers in the Winstanley and York Road public procurement process were essentially required to submit their proposals to be broadly consistent with the Preferred Option for development and the residents offers as agreed previously. Hence, the previous Initial EINAs for Winstanley and York Road can be deemed to be applicable to the tenderers' final submissions and specifically to that of the preferred tenderer. Specific mitigation measures identified in the previous equality impact assessments will be taken forward once the preferred bidder becomes the development partner and strategies, such as the stakeholder engagement strategy and the decant (relocation) strategy are implemented.
25. As the project moves into planning and delivery stages, EINAs will be conducted at appropriate intervals and at key milestones to ensure that the Council's obligations under the Public Sector Equality Duty are fully met.

LEGAL IMPLICATIONS

26. This report has been reviewed by the Council's external legal advisors, Pinsent Masons, and their comments are contained in the body of the report.

CONCLUSION

27. At the outset, the Council set out ambitious aspirations to provide a high quality regeneration scheme for the area. The preferred bidder's proposals meet these aspirations and, if accepted, can be expected to achieve a significant improvement to the Winstanley and York Road Estates and to the lives of local residents.

The Town Hall,
Wandsworth,

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10th February 2017

Background Papers

No background papers were used in the preparation of this report.

CHRIS BUSS
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Executive

Joint Venture Partner for the Winstanley-York Road Regeneration Project

All reports to the Overview and Scrutiny Committees, regulatory and other Committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary (Ms. Thayyiba Shaah on 020 8871 6039; email tshaah@wandsworth.gov.uk) can supply if required.