



Report for:
ACTION

Item Number:

Contains Confidential or Exempt Information	YES (Part) Appendix 1 contains Exempt Information by virtue of paragraph 3 of Schedule 12A to the Local Government Act 1972 – see section 10.4 Access to Information Procedure Rules
Title	Green Man Lane Regeneration Project
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Portfolio(s)	Councillor Will Brooks, Housing
For Consideration By	Cabinet
Date to be Considered	24 June 2008
Implementation Date if Not Called In	07 July 2008
Affected Wards	Elthorne
Area Committees	
Keywords/Index	Green Man Lane, Regeneration, Developer Selection Evaluation

Purpose of Report:

This report sets out the progress made on the selection of a developer partner to undertake the redevelopment of the Green Man Lane Estate, and recommends that Cabinet should approve a shortlist of 6 bidders to move forward to the second stage of the selection process.

1. RECOMMENDATIONS

That Cabinet agrees to:

- 1.1 Approve the bidder shortlist and proceed with Stage 2 of the Developer Selection process

- 1.2 Authorise the Executive Director of Regeneration and Housing to approve the Stage Two Developer Brief

2. REASON FOR RECOMMENDATIONS

2.1 Background

- 2.1.1 On 29th January 2008 the Cabinet received a comprehensive report on the regeneration options for the Green Man Lane Estate in West Ealing. The report indicated that the majority of residents supported the option of full redevelopment of the estate.
- 2.1.2 The Cabinet agreed in principle to the comprehensive redevelopment of Green Man Lane Estate, and agreed to commence an open competition to select a developer partner to redevelop the estate. It was agreed that the outcome of the exercise would be brought back to Cabinet to approve the developer shortlist, prior to further selection stages.
- 2.1.3 Following the Cabinet decision on 29/01/08 letters were sent to all residents on the Green Man Lane estate informing them of the decision to proceed in principle with comprehensive redevelopment. The letters explained the background to the Cabinet's decision and indicated how residents would be consulted and involved in developing proposals.
- 2.1.4 A Joint Working Group (JWG) with wide resident and stakeholder representation was established in 2007 to oversee the process of developing options for the estate. A smaller Developer Selection Group (DSG) comprising 6 residents and a ward member was nominated by the JWG to work with the Council officers on the developer selection process. External solicitors (Wragge) and financial advisers (Price Waterhouse Cooper) were also appointed to provide initial advice.
- 2.1.5 The first stage brief outlining the development opportunity was produced and agreed in consultation with the DSG and the Portfolio Holder for Adult Services and Housing. Bidders were asked to respond to a Pre-Qualifying Questionnaire identifying the bidder or bidding group and providing information in line with the Council's standard procurement requirements.
- 2.1.6 An advert was placed in the Estates Gazette and OJEU on 08 March 2008. Following OJEU rules 37 days was allowed for potential bidders to complete expressions of interest in being invited to tender with a closing date of 15 April 08. The brief indicated that 3-5 bidders would potentially be shortlisted to the next stage.

2.2 Bidder Evaluation Process

- 2.2.1 In total there were 15 responses received in response to the invitation to register expressions of interest.

2.2.2 The responses were assessed using the following scoring and weighting matrix.

Section	Maximum Unweighted Score	Total Weighted Score	Percentage
Eligibility	9	20	13%
Financial Standing	13	13	9%
Insurance	7	15	10%
Technical Capacity and Ability	19	73	48%
Equal Opportunities	9	11	7%
Health & Safety	14	20	13%
Total	71	152	100%

The Technical Capacity and Ability Section which deals with bidders expertise and experience of undertaking similar estate regeneration projects carries the most significant weighting in evaluating responses.

2.2.2 The PQQ evaluation is a technical evaluation exercise of background information provided by bidders, and is not based on scheme specific proposals at this early stage. A panel of officers from Housing Regeneration assessed all sections of the PQQ apart from those for Financial Standing and Health & Safety. Price Waterhouse Cooper (PWC) undertook an evaluation of financial standing based on recent accounts and the Council's Corporate Health and Safety assessed the Health and Safety sections of the submissions.

2.2.3 The PWC financial evaluation reflected their assessment of the bidders' differing financial strengths, and recommended that no bid should be excluded purely on financial grounds. The financial assessment in the following stages will look in greater detail at proposed funding structures for this project.

2.2.4 The overall ranking by the Officer Panel and the Technical Capacity sections of the submissions were shared with members of the DSG. Following extensive discussion over two meetings the DSG members agreed to support the Officer Panel's recommendations regarding Technical Capacity and for the proposed shortlist. The shortlist and process so far was endorsed by the Joint Working Group meeting held on June 3rd 2008.

2.2.5 A table showing points awarded for each section is shown in appendix 1 (confidential). There were 6 bidders with scores over 70% of the total weighted score that was taken by the Officer Evaluation Panel as the cut-off point for shortlisting. There was a small but distinct gap between these and the remaining bidders.

2.3. Shortlisted Bidders

2.3.1 The six recommended bidders are briefly described in the table below:

	Name	Description
1	Countryside and London & Quadrant Housing Trust	<p>Countryside Properties - developer</p> <ul style="list-style-type: none"> privately owned company with support of Bank of Scotland vision ' to create exceptional places for people to live work and enjoy' extensive track record in estate regeneration, urban design and creation of new sustainable communities, including schemes such as Greenwich Millenium Village scope includes private and affordable housing, commercial property, mixed use and mixed tenure schemes and recreational and community facilities. <p>London and Quadrant – RSL</p> <ul style="list-style-type: none"> largest RSL provider of affordable housing in London and the South East with over 50,000 homes. Major RSL developer with largest Housing Corporation grant allocation for 2008/11 – has substantial development programmes for rent, shared ownership, outright sale. good “two star” housing management service that has excellent prospects for improvement. Financially strong with good track record of delivering estate regeneration programmes
2	Hyde Housing Assoc	<p>Hyde Housing Association - RSL</p> <ul style="list-style-type: none"> one of the largest housing associations in UK managing or owning around 35,000 homes in London, Kent, Surrey, Sussex, Hampshire Cambridgeshire, Northamptonshire and Lincolnshire Good track record of delivering innovative estate regeneration programmes with strong design and sustainability features. Two-star housing management rating by Audit Commission has substantial development programmes for rent, shared ownership, outright sale. As well as a charitable off shoot Hyde Plus that undertakes social and economic projects. Committed to sustainable developments that preserve natural resources and do not damage the environment
3	Mulalley and Network HA	<p>Mulalley – contractor/developer</p> <ul style="list-style-type: none"> Family-owned construction, development and

		<p>refurbishment contractor based in London and operating throughout south east for more than 30 years</p> <ul style="list-style-type: none"> • Turnover exceeds £100 million annually • Partner in other estate redevelopment, transfer and refurbishment projects • Strong emphasis on resident liaison and support for the community - in 2004 awarded Queen's Award for Resident Liaison Innovation <p>Network Housing group – RSL</p> <ul style="list-style-type: none"> • Partnership of diverse housing associations, all with charitable aims, that own and/or manage 18,000 properties spread across London and South East • Good track record of housing led regeneration that incorporates mixed use, retail, residential and developments that have provided significant community benefits • Incorporates Solon Community Network, a resident participation consultancy promoting resident involvement and community development in urban regeneration. • Capable, financially strong developer
4	Rydon	<p>Rydon Construction Ltd</p> <ul style="list-style-type: none"> • established in 1976, is a wholly owned subsidiary of the Rydon Group, a leading construction, development and property services company operating throughout the South and South West of England. • Rydon has a track record of working successfully with a number of RSLs in estate redevelopment schemes. Has not at this stage selected an RSL partner for this project, but would wish to do so if selected for the next stage. • Secured and delivered a number of high profile housing led regeneration projects to create vibrant mixed tenure and mixed use communities • In 2007 the Housing Corporation selected 3 Rydon projects that incorporated outstanding design for its 'Feature Fifteen' design week, chosen to demonstrate the impact that good design has on 'liveability'.
5	Inspace and Catalyst	<p>Inspace and Catalyst propose to establish a bespoke jointly owned 'Limited Liability Partnership' to deliver this project.</p> <p>Inspace Ltd – developer/contractor</p> <ul style="list-style-type: none"> • Subsidiary company of Willmott Dixon

		<p>Holdings. The two businesses that would be involved in this scheme are Inspace Homes and Inspace Partnerships.</p> <ul style="list-style-type: none"> • Inspace Homes specialises in the development of mixed tenure housing schemes, through providing affordable homes for first time buyers in schemes with strong design and sustainability features. • Inspace Partnerships was established in 1974 as a specialist contractor and has completed over 30,000 new and refurbished homes • Inspace won Building Magazine 'Regeneration Contractor of the Year 2006' award <p>Catalyst - RSL</p> <ul style="list-style-type: none"> • provides 14,000 affordable homes in London and South east • Well established in the borough owning and managing over 4000 homes locally • Provides a wide range of services including general needs housing, large scale regeneration, sheltered and special needs housing, residential care homes, low cost home ownership, and key worker accommodation.
6	Durkan, Genesis, Affinity Sutton, (plus Pinnacle and Logic Homes)	<p>Durkan Ltd as lead investor, developer and constructor. Genesis, Affinity Sutton and Pinnacle Regeneration Group as investor developers within the consortium combining financial strength, commitment and regeneration experience.</p> <p>Durkan</p> <ul style="list-style-type: none"> • a substantial group of companies offering construction, development and regeneration solutions to a diverse range of clients in London and South East England • wide experience in commercial development, design and build projects, major refurbishment works, and conservation work, in both public and private sectors <p>Genesis</p> <ul style="list-style-type: none"> • one of the largest RSL housing groups in the UK with a strong record of delivering successful, large scale mixed use regeneration solutions. • Has a charitable foundation Genesis Community and initiatives such as 'Your Place' Genesis which actively empowers residents in helping to build sustainable communities <p>Affinity Sutton</p>

		<ul style="list-style-type: none"> • Formed through the merger of Affinity and the Sutton Housing Trust in 2007, now has 50,000 homes across the country. • Financially strong RSL group with good record in development and estate regeneration schemes.
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3. KEY IMPLICATIONS

- 3.1 The shortlisted developers will be asked to respond to a second stage brief requesting detailed proposals for the redevelopment of the Green Man Lane Estate. It is proposed that the second stage brief should be issued in mid July 2008 with an 8 week period for proposals to be returned by early September. This length of time is necessary given the design and financial modelling work that will be necessary to support detailed proposals.
- 3.2 The Second Stage brief will require bidders to provide detailed design and financial proposals to redevelop the estate to meet the Council's brief. This will invite bidders to demonstrate how they can contribute toward the wider regeneration of the West Ealing area.
- 3.3 The brief is currently being developed in consultation with the DSG and it is proposed that the Executive Director of Regeneration and Housing should be authorised to approve the Stage Two Developer's Brief.
- 3.4 It is proposed that the DSG should be directly involved in the evaluation process, working with officers and legal and financial advisors. The Council has agreed to appoint an Independent Tenants Advisor to support the DSG and individual residents for the remainder of the selection process. A brief has been agreed with the DSG and it is intended to seek quotations from a shortlist of 6-8 organisations.
- 3.5 It is proposed that Stage 2 responses will be evaluated and a shortlist of two developers will be brought back for agreement by Cabinet in November 2008. It is intended that the two final bidders will be invited to develop their proposals in more detail including the production of design proposals that can be used to support a future planning application. This will move the process to the final stage of the developer selection scheduled to be completed by February 2009. As part of these further selection processes bidders will be required to propose a legal structure defining bidder commitments that can be captured in a set of initial Heads of Terms defining how the scheme will be developed out.

4. FINANCIAL

- 4.1 In January 2008 Cabinet agreed to authorise the use of up to £800,000 of s106 funding allocated to the Green Man Lane estate, to fund the small project and consultant team to deliver this process during 2008/9 and to fund the Phase 1 decanting programme, in advance of the selection of the developer partner

- 4.2 Expenditure on advisors during the developer selection process has been in line with budgets already agreed and for the use of these funds.
- 4.2 PWC's brief includes the provision of financial input into the Stage Two brief. Nabarro have been appointed to provide legal consultancy services during the second stage. Again, both contracts are within project budgets.
- 4.3 A budget has been established for the recruitment of an ITA from existing project budgets.

5. LEGAL

- 5.1 A number of the contractors who have submitted expressions of interest have been identified in the recent Office of Fair Trading Report (OFT) Statement of Objections on 112 companies regarding uncompetitive practices within the construction industry. This includes three who are included in the recommended shortlist, either directly or as subsidiaries of parent companies.
- 5.2 The OFT has issued guidance to local authorities that no assumption should be made at this stage that there has been an infringement of competition law by any of the companies named in the Statement of Objections. The 112 companies now have the opportunity to make written and oral representations which the OFT will take into account before making a final decision as to whether competition law has been infringed, and as to the appropriate amount of any penalties the OFT may decide to impose on each of the firms concerned.
- 5.3 Ealing Council has been advised by Nabarro that in the event that a finding of infringement is made by the OFT or the Competition Appeal Tribunal against any of those firms the Regulations suggest that the Council would be entitled to (but need not) exclude such a firm at any stage of the proceeding once a decision of infringement has been made final.
- 5.4 The Council's PQQ documentation already requires bidders to sign a certificate of non-collusion. Officers are continuing to take legal advice and to monitor the situation, but at present the advice is that no direct action should be taken to exclude companies at this stage.

6. VALUE FOR MONEY

- 6.1 The developer selection process is aimed at ensuring that value for money is achieved, and the best deal is struck for the Council and residents on Green Man Lane.

7. RISK MANAGEMENT

- 7.1 A risk assessment of the project has been developed and is reported regularly through project team arrangements.

8. COMMUNITY SAFETY

- 8.1 Aspects to improve community safety on the estate are being included in the second stage brief in line with resident's aspirations and following consultation with other Council departments.

9. LINKS TO STRATEGIC OBJECTIVES

- 9.1 The redevelopment will contribute to achieving Ealing's objectives:

- **Environment, housing and culture**

To make Ealing a better place to live – regenerate the Green Man Lane to provide a high quality environment and homes for residents.

- **Safety**

To make Ealing one of the safest places in London – create a safe neighbourhood for residents living on and around the Green Man Lane estate

- **Health and independence**

To reduce health inequalities and promote well-being and independence for adults and older people – provide homes which contribute to people's well being and community spaces for activities aimed at improving health to take place.

- **Economy**

To ensure that there are opportunities for all people and businesses to Prosper – create retail opportunities and work opportunities linked to the regeneration activities on the estate and to link the estate into the wider West Ealing area.

- **Children and young people**

To create a great place for every child and young person to grow up - to create community and play facilities as part of the regeneration scheme which are well designed and safe for children.

- **Organisational improvement**

Becoming a high performing organisation, focussed on the needs of its Communities – to establish effective project management structures which enable the regeneration project to proceed in an efficient manner and to ensure value for money is achieved from the activities of partners on the estate.

10. EQUALITIES AND COMMUNITY COHESION

- 10.1 An Equalities Impact Assessment for the estate redevelopment project has been approved and shows no adverse impact on any individual groups.

11. STAFFING AND WORKFORCE IMPLICATIONS

- 11.1 There are no implications arising from this report.

12. PROPERTY AND ASSETS

- 12.1 Discussions have been with the Director of Street Environment regarding the potential inclusion of the Singapore Road multi-storey and surface car parks in the redevelopment plans. This is considered to be important in terms of providing a first phase of building on the site without undertaking extensive decanting. If included this will provide 0.5762 hectares of additional land in the redevelopment scheme as shown below:

Description	Area Hectares
Green Man Estate Housing	3.4614
MSCP	0.3899
Singapore Road Car Park	0.1863

- 12.2 Initial feasibility work considered the possibility of including the reprovision of St Johns School as part of the redevelopment proposals. Given current proposals for the school to accommodate an enlarged pupil intake this does not appear feasible. However, it is proposed that discussions should continue to establish whether there is the potential for development of community and leisure facilities on the school site that could be shared by the wider community.
- 12.3 Dean Hall is a privately owned building set in to the frontage of the estate on Singapore Road, currently in use as a church. The owners have stated their preference for remaining on their current site. Nevertheless it is considered that there would be considerable benefits from bringing this site into the redevelopment scheme, and the potential for the acquisition of this site will continue to be pursued via the developer selection process.
- 12.4 Discussions continue with the Economic Regeneration team aimed at exploiting the potential of the housing redevelopment scheme to contribute to the wider economic regeneration of the West Ealing area. The Stage 2 brief will invite shortlisted bidders to demonstrate what value they can contribute in this area.

13. CONSULTATION

- 13.1 A further resident survey has been undertaken to ensure residents were fully aware of the implications of a comprehensive redevelopment of the estate. Facts International was appointed to carry out the survey, and a 58% response rate was achieved. Some key findings are shown below:

Question	Response
Are you aware of the proposal to demolish and redevelop the GML estate?	90% Yes
How do you feel about the redevelopment of the GML estate?	73% positive
Do you understand that if the Council proceeds with the current redevelopment proposals, moving back to a new build rented property on the estate would mean having a new social landlord such as a Housing Association?	72% Yes

- 13.2 The full report will be available in July 2008.

13.3 Consultation under s105 of the Housing Act 1985 has included:

- Letters were sent to all residents informing them of the Cabinet decision of 29th January 2008 to proceed in principle with comprehensive redevelopment
- Drop-ins were held to discuss any questions/issues raised by residents on the estate
- A meeting was held with resident and non resident leaseholders supported by two officers from the Buy Back Section at Ealing Homes
- Further discussions have been held with the head teacher and school governor of St Johns School and a joint meeting between Education and Housing Regeneration has been held with parents of school children to explain the housing proposals.
- Letters were sent to all neighbours/residents in streets around the estate informing them of the proposal to redevelop Green Man Lane estate.

14. TIMETABLE FOR IMPLEMENTATION

14.1 The timetable for the Developer Selection process is shown below.

24 th June 2008	Cabinet to agree shortlist of bidders to be invited to compete in the second stage of the competition.
14 th July 2008	Second stage brief circulated to bidders
8 th Sept 2008	Deadline for 2 nd Stage Submissions
11 th Nov 2008	Cabinet to agree 2 bidders for final stage of the selection process.
27 th Nov 2008	Final brief sent out
12 th Jan 2009	Deadline for final stage submissions
24 th Feb 2009	Cabinet agrees preferred bidder for the redevelopment of Green Man Lane

15. APPENDICES

15.1 Confidential Appendix 1 - Evaluation Assessment

16. BACKGROUND INFORMATION

16.1 Cabinet Report 29 January 2008

Consultation

Name of consultee	Department	Date sent to consultee	Date response received from consultee	Comments appear in report para:
Internal				
Pat Hayes	Executive Director	22/05/08	22/05/08	
Helen Harris	Director of Legal and Democratic Services	16/05/08	2/6/08	
David Ewart	Director of Finance	20/05/08	2/6/08	
Jo Rowlands	Director of Housing	21/05/08	22/05/08	
Councillor Will Brooks	Cabinet Member for Housing	21/05/08		
External				
	Green Man Lane Joint Working Group	03/06/08	03/06/08	

1.1.1 Report History

Decision type:	Urgency item?
EITHER: Key decision Entered onto forward plan May 2008	No

Authorised by Cabinet member:	Date report drafted:	Report deadline:	Date report sent:
12.06.08	16.05.08	12.06.08	12.06.08

Report no.:	Report author and contact for queries:
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