

Report for:
ACTION

Item Number:

Contains Confidential or Exempt Information	YES. Confidential Appendices 1, 2, and 3, are exempt from disclosure by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Title	Housing Delivery Update.
Responsible Officer(s)	Sandra Fryer, Strategic Director of Economy & Sustainability. Emily Hill, Strategic Director of Corporate Resources. Darren Henaghan, Strategic Director of Housing & Environment. Philip Browne, Director of Housing Development.
Author(s)	Jamie Burns, Assistant Director of Housing Commissioning & Strategy. Adam Towle, Head of New Business, Housing Development.
Portfolio(s)	Cllr Lauren Wall – Genuinely Affordable Homes. Cllr Shital Manro – Good Growth.
For Consideration By	Cabinet.
Date to be Considered	22 nd February 2023.
Implementation Date if Not Called In	7 th March 2023.
Affected Wards	Acton, Northolt, and Southall.
Keywords/Index	Housing, homes, delivery, affordable, development, Greater London Authority (GLA), Broadway Living RP (BLRP), Housing Revenue Account (HRA), Genuinely Affordable Homes (GAH).

Purpose of Report:

This report seeks authority to:

- Award Design and Build JCT works contracts for Lexden and Steyne Road, former Northolt Grange Community Centre (Northolt Grange C.C.), and Sussex Crescent; following budget allocation approval in January 2023.
- Enter into a lease of LB Ealing Playing Field to the Roman Catholic Diocese of Westminster / St Raphael's Roman Catholic Primary School as part of the Northolt Grange C.C. site development.
- Enter into the necessary grant agreement to secure Care and Specialist Supported Housing (CASSH) grant for the sheltered homes proposed on the Lexden Road Site.

1. Recommendations

It is recommended that Cabinet:

- 1.1 Notes the progress made to date on the sites listed below and as shown on the plans in Appendices 1, 2, and 3 (the Sites) for proposed redevelopment to provide 306 new homes at:
 - Lexden and Steyne Road
 - Northolt Grange Community Centre
 - Sussex Crescent.
- 1.2 Notes and agrees to proceed with the redevelopment of the Sites in the HRA (and not by BLRP as originally proposed) in accordance with the budget allocation approved by Cabinet as part of the HRA Business Plan 2023-2024 in January 2023.
- 1.3 Notes the outcome of the tender exercise for the main construction contracts for the redevelopment of the Sites as set out in Confidential Appendices: 1, 2, and 3 and approves the award of the contracts as set out in 1.4.
- 1.4 Delegates authority to the Strategic Director of Housing and Environment to:
 - Award a Design and Build JCT contract for the construction of 188 new homes (71 London Affordable Rent, 90 Shared Ownership and 27 Private Sale dwellings) at Lexden and Steyne Road (the Steyne Estate).
 - Award a Design and Build JCT contract for the construction of 92 new affordable homes at Northolt Grange.

- Award a Design and Build JCT contract for the construction of 26 new affordable homes at Sussex Crescent.
- 1.5 (a) Agrees in principle for the Sites to be appropriated for planning purposes and then for housing purposes.
 - (b) Delegates authority to the Strategic Director of Economy and Sustainability to undertake the appropriation processes for each Site as, and when, necessary.
 - 1.6 (a) Notes the current position with regard to the land swap in respect of Northolt Grange Community Centre as set out in paragraph 2.9.11 below and agrees the proposed steps to mitigate the risks set out in paragraph 2.9.12.
 - (b) Delegates authority to the Strategic Director of Housing and Environment to agree and secure compliance with such conditions as may be imposed by the Secretary of State for Education.
 - 1.7 Agrees to grant a lease of the land shown on the plan at Appendix 2 shown in plain green) to the Roman Catholic Diocese of Westminster / St Raphael's Roman Catholic Primary School as part of the Northolt Grange C.C. site development and associated land swap.
 - 1.8 Notes the successful bid for Care and Specialist Supported Housing (CASSH) grant for the sheltered homes proposed on the Lexden Road Site and delegates authority to the Strategic Director of Housing and Environment to enter into the necessary grant agreement to secure the funding.

2. Reason for Decisions and Options Considered

2.1 Tranche 2 Delivery Programme

- 2.2 Ealing Council has set an ambitious target to deliver 4,000 genuinely affordable homes (GAH) by 2026. The BLRP Business Plan Tranche 2 Programme of sites, included within the GLA Affordable Homes Programme (AHP) 2016-2023, was approved by Cabinet in April 2022. However, due to a significant downturn in the economy, including increasing loan interest rates, major build cost inflation, and instability in the supply chains and development industry, the viability of schemes in Tranche 2 has been negatively impacted.
- 2.3 To address this, the Council and BLRP conducted a review of the programme with the aim of improving the viability of schemes and ensuring delivery. Options considered included deferring schemes, reducing cost and improving design efficiency, changing tenures, and securing additional funding.

- 2.4 Due to AHP 2016-23 grant conditions requiring site starts by March 2023, the schemes of Mandeville Road, Broomcroft Avenue, and Canberra Drive have been deferred from Tranche 2 and will be delivered in the next GLA AHP (2021-26). Negotiation with the GLA to secure additional grant of £9.82m for the remaining schemes of Lexden and Steyne Road, Northolt Grange C.C, and Sussex Crescent has been successful, with approval given in January 2023.
- 2.5 Under current conditions, financial modelling has confirmed that, even with the additional grant, these schemes remain unviable if delivered by BLRP but are now viable through the HRA. This is largely due to the HRA's ability to secure funding from the Public Works Loan Board at a lower interest rate and on different terms than Broadway Living RP can borrow from the Council.
- 2.6 As a result, it is proposed that Lexden and Steyne Road, Northolt Grange C.C., and Sussex Crescent are now delivered through the HRA. In preparation, a budget allocation has been made within the HRA Business Plan 2023-2024, approved by Cabinet in January 2023. It should also be noted that, if economic conditions improve, the Council and BLRP may agree in the future to BLRP acquiring the schemes from the HRA, reducing HRA borrowing. This would be subject to a further decision by Cabinet.
- 2.7 Approval to enter into Pre-Construction Services Agreement (PCSA) contracts for these sites was given by Cabinet in December 2022. This report now seeks approval to award Design and Build JCT contracts to progress developments on time and according to schedule.

2.8 Lexden and Steyne Road

Unit type	Number	Affordable (LAR)	Shared Ownership	Private Sale
1b/2p flat	36	0%	16%	3.20%
1b+ flat	71	37.8%	0%	0%
2b/4p flat	72	0%	31.9%	6.30%
3b/5p flat	9	0%	0%	4.80%
Total	188	71 37.8%	90 47.9%	27 14.3%

- 2.8.1 Lexden and Steyne Road (or the Steyne Estate) is an existing Council estate at the junction of Lexden and Steyne Roads in Acton Central ward and within Acton District Town Centre. The estate currently consists of: Lantry Court, comprising 23 retirement bungalows and maisonettes with small car park but no communal facilities; two identical 22-storey towers: Rufford Tower and

Moreton Tower containing 100 dwellings each (with associated car parks); and play space and landscaping.

2.8.2 The proposed project will deliver three new buildings on the estate in addition to accessible landscaping and play improvements, a podium car park, and improvements to the undercrofts of existing towers.

2.8.3 The scheme includes an Older Adults building, containing 71 London Affordable Rent sheltered housing units (specialised flats for independent living with no permanent on-site care but designed specifically with older people in mind). A collection of six 3-bed 5-person flats (currently for outright sale) to the north of the site aimed specifically at families. And a separate, general needs residential building containing 90 Shared Ownership and 21 private sale homes (111 total).

2.8.4 In February 2022, a two-stage procurement process was agreed by Cabinet as being suitable for the appointment of a main contractor for the Lexden and Steyne Road scheme.

2.8.5 Approval to enter into a PCSA contract for this site was given by Cabinet in December 2022.

2.8.6 This report now seeks approval to award a Design and Build JCT contract as below to progress development on time and according to schedule.

2.8.7 Following a compliant tender process, it is proposed to enter into a JCT Design and Build (2016) Contract.

2.8.8 Proposed Programme:

Item	Start	End	Notes
PCSA Signed		01/02/2023	
Stage 4 Design	01/02/2023	26/05/2023	
Pre-commencement Condition discharges	17/02/2023	25/05/2023	
Utility Diversions	16/03/2023	24/04/2023	
Early GLA Works	13/03/2023		Slit trenches, trial pits and utility disconnections
Main Works Contract Signed		13/03/2023	

Item	Start	End	Notes
Main Build Phase		27/10/2025	

2.8.9 In addition, confirmation has recently been received that an application for £12,131,983 Care and Specialist Supported Housing (CASSH) grant for the sheltered homes on the Lexden Site has been successful. Delegated authority is therefore sought to enter into the associated grant agreement.

2.9 Northolt Grange C.C. Scheme

Unit type	Number	Affordable (LAR)	Shared Ownership
1b/2p flat	43	46.8%	0%
2b/3p flat	4	4.3%	0%
2b/3p WC flat	4	4.3%	0%
2b/4p flat	19	20.8%	0%
2b/4p WC flat	4	4.3%	0%
3b/4p WC flat	1	1%	0%
3b/5p flat	9	9.8%	0%
4b/6p house	8	0%	8.7%
Total	92	84	8
		91.3%	8.7%

2.9.1 This scheme involves redeveloping the Northolt Grange C.C. to provide 92 new affordable homes and new community open space.

2.9.2 The former community centre site will be combined with land to be acquired from the Roman Catholic Diocese of Westminster through a 'land swap' agreement, as approved by Cabinet in January 2021 for which the consent of the Secretary of State is required and has been applied for.

2.9.3 The design development for the main works, included community consultation and a series of five Pre-Application meetings. The scheme is for a five-storey building, facing the street, providing 84 new London Affordable Rented (LAR) homes including 43 no. 1 bedroom flats, 31 no. 2 bedroom flats and 10 no. 3 bedroom flats (including duplexes). A row of 8 two storey 4-bedroom town houses (shared ownership) behind the main block, creates a car-free street and amenity space.

2.9.4 The planning proposals for the overall scheme were split into two separate applications, namely the school-works (temporary classrooms / enabling works / demolition) and the main works. Planning permission was granted for the

school-works in October 2021 and Planning Committee approved the application for the main works in June 2022.

2.9.5 Approval to enter into a PCSA contract for this site was given by Cabinet in December 2022. This report now seeks approval to award a Design and Build JCT contract as below to progress development on time and according to schedule.

2.9.6 Following a compliant tender process, it is proposed to enter into a JCT Design and Build (2016) Contract to deliver 84 homes for London Affordable Rent and eight homes for Shared Ownership sale

2.9.7 Proposed programme:

Item	Start	End	Notes
PCSA signing		01/02/2023	Approved by Cabinet on 07/12/2022
Portakabin contract signing		01/02/2023	Approved by Cabinet on 07/12/2022
Asbestos removal from Community Centre	16/02/2023	01/03/2023	Triggers Start on Site for GLA funding – dependent on Contractor's programme
Cabinet decision – JCT Contract	22/02/2023	07/03/2023	
SoS DfE decision	31/08/2022	27/03/2023	Expected date
Land swap and possible lease		29/03/2023	Between LB Ealing and RCDoW/St Raphael's School
Licence swapped land back to RCDoW/ School		29/03/2023	For land transferred to LB Ealing – to last until temp classrooms installed
JCT Contract signed		22/03/2023	Triggers Start on Site grant claim from GLA

Item	Start	End	Notes
Enabling works on LB Ealing and RCDow/ School land	09/03/2023	18/08/2023	Commencing under the PCSA and Portakabin contract – dependent on Contractor’s programme
Drainage installation	03/04/2023	21/04/2023	Triggers acceptance of Building Regs application under pre-June 2022 building regulations – dependent on Contractor’s programme
Temporary Classrooms installed	03/04/2023	12/05/2023	
School move to Temp Classrooms and end of licence on LB Ealing land	15/05/2023	02/06/2023	Late May half term
Enabling works on former school land	05/06/2023	18/08/2023	Including demolition in summer holidays
Remaining groundworks commence	21/08/2023	27/10/2023	
Project completion		08/2025	Two-year build programme

2.9.8 As previously reported to Cabinet, the scheme requires a land swap with the adjacent school (St Raphael’s Roman Catholic Primary School) which requires consent from the Secretary of State for Education for the disposal of the school land, as part of that land swap. This has been applied for as shown in the above programme.

2.9.9 As part of ongoing discussion with the Department for Education there is a likely requirement for the council to agree to lease some playing field land to the school in place of a proposed licence.

2.9.10 Authority is therefore sought for the Council to grant a lease of the playing field land to the Roman Catholic Diocese of Westminster / St Raphael's Roman Catholic Primary School as part of the Northolt Grange CC site development.

2.9.11 The officer from the Department for Education / Education and Skills Funding Agency (DfE/ESFA) has confirmed that the application will be considered by the DfE Playing Fields Panel on 14th March 2023 with a recommendation for approval – subject to certain conditions which are under negotiation. However, it is very tight to get the results of the Playing Fields Panel to the Secretary of State for Education for their consideration prior to the Parliamentary recess which commences on 31st March 2023. Consequently, there is a risk that the DfE approval will not be received this financial year.

2.9.12 In order to mitigate this risk several actions have been taken:

- a) A break clause is being inserted in the JCT Contract in case there is a delay in the DfE decision on the application. This will limit the financial exposure for LB Ealing.
- b) Works which are eligible for GLA grant to be claimed can be undertaken on LB Ealing owned land in order to mitigate any delays.
- c) A PCSA has been entered into with the main Contractor (decision made by Cabinet in December 2022) to begin the design work and submit statutory applications in order to facilitate a prompt start on site.

2.9.13 Since the publication of the HRA Business Plan in January 2023, a final contract recommendation and risk report has been received detailing the areas where cost risks lie (see Confidential Appendix 2). These risks have subsequently been added into the financial appraisal, leading to the increase in the total scheme cost reported here. As the development progresses through the RIBA Stage 4 design process, some of these risks will not be realised and other mitigation in the form of Value Engineering (VE) will be investigated and implemented if they are not detrimental to the overall quality of the development. As this work is being completed any changes in budget will be brought to Members in the form of a further Cabinet report.

2.10 Sussex Crescent Accommodation Schedule

Unit type	Number	Affordable (LAR)
1b2p	6	23%
2b3pwc	3	12%
2b4p	17	65%
Total	26	100%

2.10.1 The site is within five minutes walking distance of Northolt Underground Station and is proposed to be car free with one on-street blue badge space adjacent to the site. Pedestrian and cycle access will be from Sussex Crescent.

2.10.2 The scheme consists of a single four storey block, 26 flats at London Affordable Rent.

2.10.3 Planning permission for the scheme was granted in October 2022.

2.10.4 Having a highly efficient façade enables the scheme to make the most of low carbon heating methods such as air source heat pumps. It will also be supported by solar panels to further reduce energy demand and reduce costs for residents.

2.10.5 The development was tendered between May and July 2022 and two competitive tenders were returned.

2.10.6 Approval to enter into a PCSA contract for this site was given by Cabinet in December 2022. The PCSA was signed on 27th January 2023. This report now seeks approval to award a Design and Build JCT contract as below to progress development on time and according to schedule.

2.10.7 Following a compliant tender process, it is proposed to enter into a JCT Design and Build (2016) Contract to deliver 26 homes for London Affordable Rent.

2.10.8 Proposed Programme:

Item	Start	End	Notes
PCSA signing		27/01/2023	Approved by Cabinet on 07/12/2022
Asbestos removal from former Social Club	16/02/2023	01/03/2023	Triggers Start on Site for GLA housing numbers
Cabinet decision – JCT Contract	22/02/2023	07/03/2023	
JCT Contract signed		08/03/2023	Triggers Start on Site grant claim from GLA
Demolition and enabling works	27/03/2023	28/04/2023	Commencing under the PCSA – dependent on Contractor's programme

Item	Start	End	Notes
Groundworks	25/05/2023	21/06/2023	Triggers acceptance of Building Regs application under pre-June 2022 building regulations – dependent on Contractor's programme
Project completion		31/07/2024	16-month build programme

2.11 Golf Links Phase 3

2.11.1 Cabinet approved the award of a Design and Build JCT form of contract to the successful bidder following a tender process. Since December Cabinet 2022 it was established that the final contract bid was higher than the final sum reported to Cabinet in December 2022.

2.11.2 Having re-assessed the tender returns, taking account of the original quality and cost weighting, it has been confirmed by the Employer's Agent (F&G) that the ranking of the tender returns and therefore successful contractor has not changed from the original assessment. A notice of contract award and standstill letters to the unsuccessful bidders have been issued on that basis.

3 Key Implications

3.1 Remaining Tranche 2 Sites Grant Funding Update

3.2 The sites are part of BLRP's GLA grant funding allocation under the Homes for Londoners: Affordable Homes Programme 2016-2023. To be eligible for GLA grant funding under this programme, projects must start on site by the end of March 2023.

3.3 Additional 'safeguarding grant', totalling £9.82m, was approved by the GLA in January 2023. Total overall grant for the three schemes is now £32.66m.

3.5 Golf Links Phase 3

3.6 Since December Cabinet 2022 it has been confirmed that the final contract bid is higher than the final sum reported to Cabinet in December 2022 and is proposed to be managed within the project contingency as described in the HRA Business Plan.

4. Financial

- 4.1 As noted the funding for the three schemes Lexden Road, Northolt Grange CC, and Sussex Road were incepted into the HRA capital programme when the HRA Business Plan was approved at January 2023 Cabinet.

5. Legal

- 5.1 The Council has the power to appropriate land for planning or other purposes under s122 of the Local Government Act 1972 (the 1972 Act) and in the case of housing land under section 19 of the Housing Act 1985.
- 5.2 The effect of the acquisition or appropriation of land for planning purposes is that under section 203 of the Housing and Planning Act 2016 the Council may override easements and other third-party rights in specified circumstances although the beneficiaries of any rights overridden may claim compensation but cannot seek an injunction to delay or terminate the development.
- 5.3 The Council may appropriate or dispose of land held for planning purposes under sections 232 and 233 of the Town & Country Planning Act 1990 (the 1990 Act) with a view to securing its best use or the construction of buildings needed for the proper planning of the area.
- 5.4 The power contained in Section 203 does not remove the legitimate rights of parties to compensation, which may arise from the interference with their rights, but it does remove the potential for such parties to frustrate the development by obtaining an injunction to prevent the interference with their rights.
- 5.5 If any affected parties claim compensation, then the Council will be liable to pay such compensation.
- 5.6 Any disposal of land under section 233 of the 1990 Act (or section 123 of the Local Government Act 1972 if the land is not appropriated for planning purposes) is subject to an obligation to obtain the best consideration that can reasonably be obtained (except for leases of seven years or less) unless the Secretary of State's consent is obtained for the disposal.
- 5.7 In addition, where any appropriation (either under s122 of the 1972 Act or s232 of the 1990 Act as the case may be) consists of land held as open space before any appropriation is undertaken the Council must publish a notice of their intention to do so for at least two consecutive weeks in a newspaper circulating in their area and consider any objections to the proposed appropriation which may be made to them.

6. Value For Money

- 6.1 Increasing the delivery of affordable homes will result in better outcomes for residents and help reduce the delivery costs of other services, homelessness, and temporary accommodation provision.

7. Sustainability Impact Appraisal

- 7.1 The objective of this work programme is to increase the supply of new, good quality genuinely affordable homes, which are designed in compliance with current environmental and sustainability standards.

8. Risk Management

- 8.1 The risks for each scheme are separately assessed, managed, and regularly reviewed. This ensures issues that may affect the delivery of a scheme can be understood and properly monitored enabling appropriate action to be taken. In addition, the whole programme is risk assessed to ensure that all the internal and external factors affecting delivery are identified, assessed and mitigating factors applied.

9. Community Safety

- 9.1 The schemes will all be designed to comply with the Secured by Design Standards.

10. Links to the 3 Key Priorities for the Borough

10.1 Creating Good Jobs

The provision of genuinely affordable homes below market levels supports living incomes, provide a platform for local enterprise, and boost the local economy, and create employment, training, and skills opportunities through construction.

10.2 Tackling The Climate Crisis

Improved levels of energy efficiency and reduction of CO2 emissions in newly built homes. Promote low carbon living and minimise future energy costs for residents.

10.3 Fighting Inequality

Improving the housing outcomes of residents in Ealing also contributes to a range of other important outcomes, such as increasing household incomes, improving educational attainment, and reducing homelessness.

11. Equalities, Human Rights and Community Cohesion

11.1 The overall delivery plans are expected to have a positive impact on the borough by providing additional homes that are genuinely affordable. An Equality Analysis Assessment (EAA) has previously been prepared for each scheme. It is not considered that there are any changes arising as a result of the decisions to be made arising from this report

12. Staffing/Workforce and Accommodation implications:

12.1 The Council and BLRP staffing will be supported by specialist finance, legal, design, and land and property consultants to deliver schemes.

13. Property and Assets

13.1 These schemes are primarily being delivered on existing Council assets and property.

14. Any other implications:

14.1 None.

15. Consultation

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Jackie Adams	Head of Legal (Commercial)	Throughout	Throughout	Throughout
Sandra Fryer	Strategic Director of Economy & Sustainability	28.01.2023	01.02.2023	Throughout

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Darren Henaghan	Strategic Director of Housing & Environment	28.01.2023	01.02.2023	Throughout
Emily Hill	Strategic Director of Corporate Resources	28.01.2023	01.02.2023	Throughout
Russell Dyer	Assistant Director Accountancy	11.01.2023	27.01.2023	Throughout
Philip Browne	Director of Housing Development	11.01.2023	27.01.2023	Throughout
Andy Berridge	Head of Construction	11.01.2023	27.01.2023	Throughout
Afam Ajoh	Contracts & Projects Lawyer	11.01.2023	27.01.2023	Throughout
Cllr. Wall	Cabinet Member for: Genuinely Affordable Homes	11.01.2023	20.01.2023	Throughout
Cllr. Manro	Cabinet Member for: Good Growth	02.02.2023	02.02.2023	Throughout

16. Timetable for Implementation

- 16.1 The Tranche 2 homes at Lexden and Steyne Road, Northolt Grange CC, and Sussex Crescent need to start on site by March 2023 as part of the GLA grant conditions.

17. Appendices

	Tender Reports / Contract Recommendation Reports /
17.1 Confidential Appendix 1	Lexden and Steyne Road (Stage 1 report - Nov 2022)
Confidential Appendix 2	Northolt Grange C.C.
Confidential Appendix 3	Sussex Crescent

18. Background Information

- Cabinet Report: Delivery Strategy for 2,500 Genuinely Affordable Homes, 16th October 2018
- Cabinet Report: Housing Delivery Update 18th June 2019
- Cabinet Report: Setting up a Registered Provider of Social Housing to Support the Delivery of Genuine Affordable Housing 16th July 2019
- Cabinet Report: Housing Delivery Update 10th December 2019
- Cabinet Report: Housing Delivery Update 14th July 2020
- Cabinet Report: BLRP Business Plan 10th November 2020
- Cabinet Report BLRP Tranche 2 Final Plan 6th April 2022
- HDCC Report: Housing Delivery Update of BLRP Tranche 2 Business Plan Sites 15th June 2022
- HDCC Report: Housing Delivery Update of BLRP Tranche 2 Business Plan Sites 13th July 2022
- Cabinet Report: GLA Grant Agreement 2021-26 Affordable Housing Programme 12th October 2022
- Cabinet Report: Housing Delivery Update 07.12.2022
- Cabinet Report: Housing Delivery Update – Golf Links Estate Phase 3 07.12.2022

Report History

Decision type:	Urgency item?
Key decision	Yes.
Report no.:	Report author and contact for queries:
	Jamie Burns Assistant Director Housing Commissioning & Strategy.