



Cabinet
15 September 2014

**Report from the Strategic Director of
Regeneration and Growth**

Wards affected:
Kilburn

South Kilburn Regeneration Programme

Appendix 3 of this report is Not for Publication.

1. Summary

- 1.1. This report relates to i) Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close (together defined as '**the Peel Site**' and as shown edged red on plan at Appendix 1), which includes 36 affordable homes which are currently occupied by secure tenants (the '**Peel Homes**') which are due for demolition as a stand alone Phase of the South Kilburn regeneration programme; and ii) Phase 3 of the South Kilburn regeneration programme.

2. Recommendations

Peel Recommendations

- 2.1. That the Cabinet approve inviting tenders for a full design team for the comprehensive redevelopment of Peel Precinct, 97 to 112 Carlton House and 8 to 14 Neville Close (together defined as '**the Peel Site**') on the basis of the pre-tender considerations set out in paragraph 3.8 of the report.
- 2.2. That the Cabinet give approval to officers to evaluate the tenders referred to in paragraph 2.1 above on the basis of the evaluation criteria set out in paragraph 3.8 of the report.
- 2.3. That the Cabinet, having noted and considered the responses to the consultation as set out in Appendix 2 in connection with seeking approval of the Secretary of State for use in seeking possession of the 36 affordable homes which are currently occupied by secure tenants (the '**Peel Homes**') under Ground 10A of Schedule 2 to the Housing Act 1985, to delegate authority to the Strategic Director of Regeneration and Growth to seek the Secretary of State's consent pursuant to Part V of Schedule 2 to the Housing Act 1985 to the disposal and development of the Peel Site for the

purpose of Ground 10A of Schedule 2 to be used to obtain possession of the Peel Homes.

- 2.4. That the Cabinet, having noted and considered the responses to the consultation as set out in Appendix 2 in connection with the intention to make a Compulsory Purchase Order (CPO) on the Peel Homes and in connection with the draft Allocation Policy for the Peel Homes, approves the adoption of the Allocation Policy which will apply to the Peel Homes and which includes the proposal to make a CPO on the Peel Homes as well as seeking possession of the Peel Homes, subject to the Secretary of State's consent, under Ground 10A of Schedule 2 to the Housing Act 1985. This Allocation Policy sets out the basis on which replacement homes will be allocated to secure tenants in the Peel Homes and the legal means to be adopted for seeking possession of the Peel Homes through the use of Ground 10A of the Housing Act 1985 (if approval is given by the Secretary of State) and compulsory purchase powers under section 226(1)(a) of the Town and Country Planning Act 1990.

Phase 3

- 2.5. That the Cabinet agree and authorise the Strategic Director of Regeneration and Growth to commence statutory consultation with secure tenants residing in blocks Hereford House and Exeter Court (being part of '**Phase 3**') on three proposals (i) statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act 1985 (ii) consultation on the Council's proposal to make a CPO on properties in Hereford House and Exeter Court that are currently occupied by secure tenants (iii) consultation in connection with the draft allocation policy for allocating homes to secure tenants living within Hereford House and Exeter Court. Officers will report back to the Cabinet on the outcome of the statutory consultation and may, depending on the outcome of the consultation seek Cabinet approval to (i) authorise the Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and development of the Peel Site for the purpose of Ground 10A of the Housing Act 1985, (ii) authorise the final Allocation Policy for Hereford House and Exeter Court, and (iii) proceed with securing vacant possession of properties within Hereford House and Exeter Court occupied by secure tenants through negotiation and private treaty and then, if necessary, via possession proceedings based on Ground 10A and CPO.

3. Detail

The Peel Site

- 3.1. The proposed comprehensive redevelopment of the Peel Site aims to deliver a mixed use scheme that would provide sufficient residential development and other tenures as appropriate to deliver a new South Kilburn Health Centre at no net capital cost to the Council, as well as sufficient residential development to meet the decant requirements of existing secure tenants within the Peel Homes, re-open and reconnect the historic street pattern, create a new sense of place in the heart of South Kilburn and deliver a high quality public realm.
- 3.2. The Council is committed to working with partners to deliver a new Health Centre within South Kilburn to address prevalent health inequalities. It is intended the South Kilburn Health Centre will provide for the co-location of three local GP practices: Blessing Medical Centre (307 Kilburn Lane), Kilburn Park Medical Centre (12 Cambridge Gardens) and Peel Precinct Surgery (3 Peel Precinct) into one building that is of adequate size and fit for purpose to meet the existing high health needs of

the population and the anticipated health needs of the increased population over time. The South Kilburn Health Centre should also have space for complimentary health uses.

3.3. The Peel project objectives are to:

- deliver a new, fit for purpose Health Centre to meet the high health needs of existing residents and the anticipated health needs of future residents;
- deliver sufficient residential development to meet the decant requirements of the 36 properties within the site occupied currently by secure tenants;
- deliver sufficient residential development for market sale and other tenures as appropriate to fund the delivery of the Health Centre and to cross subsidise the delivery of the affordable homes;
- co-locate three local GP practices: Blessing Medical Centre, Kilburn Park Medical Centre and Peel Precinct Surgery into the new South Kilburn Health Centre;
- deliver high quality, well designed housing and create an attractive high quality public realm including a new public square;
- secure a capital land receipt to reinvest back into the delivery of the regeneration programme.

Peel – Architect and Lead Consultant Appointment

3.4. On 11 November 2013, the Executive noted officers' intention to progress procurement of a full architectural design team to develop a hybrid planning application for the Peel Site as shown edged red on plan at Appendix 1 by calling off either the Homes and Communities Agency (HCA) Multidisciplinary Panel or the Greater London Authority (GLA) and Transport for London (TfL) Architecture, Design and Urbanism Panel (ADUP) and report back following award of contract.

3.5. Officers subsequently conducted a mini-competition under Lot 2 (Architecture) of the GLA and TfL ADUP to seek to appoint an architect and lead consultant to prepare a hybrid planning application for the comprehensive redevelopment of the Peel Site, comprising:

- a. Detailed design and specification to Stage 3 RIBA Plan of Work 2013 (Stage D+ RIBA Plan of Work 2007) for (i) 36 affordable homes that corresponds with the Council's decant assumptions and housing needs of the existing secure Council tenants within the Peel Site and; (ii) the South Kilburn Health Centre approximately 2,380m² in area that corresponds to the detailed brief to be developed in consultation with the health stakeholders and the appointed specialist health care provider or health care investment company who will manage the new South Kilburn Health Centre.
- b. An outline planning application for approximately 200 private residential units, however, this may change as the design development and viability of the project evolves.

- 3.6. Two tenders were submitted (Appendix 3) (restricted) and evaluated; with a weighting of 40% applied to price and 60% applied to quality criteria. The quality criteria considered how the submissions performed in respect of:
- a. Architect's initial sketch proposal and vision for the Peel Site, including:
 - i) vision and design concept for the Health Centre;
 - ii) vision and design concept for the residential development;
 - iii) appreciation of the particular opportunities, constraints and risks of the redevelopment of the Peel Site having regard for its location and relationship with neighbouring development sites, buildings to be retained and sites to be redeveloped in subsequent phases of the South Kilburn regeneration programme;
 - b. The quality of relevant experience of designing and delivering:
 - i) high quality, successful health centres within an urban context similar to South Kilburn;
 - ii) high quality, commercially viable, mixed tenure residential development within an urban context similar to South Kilburn;
 - c. The strength and experience of those named to work on the project, including sub-consultants (if applicable);
 - d. The ability of the team to meet the Council's requirements relating to public consultation;
 - e. The deliverability and reliability of the programme submitted in response to the invitation to tender.
- 3.7. The final scores awarded to the two tenderers are available at Appendix 4. In its mini-competition sent to all suppliers under Lot 2 (Architecture) of the GLA and TfL ADUP on 28 July 2014, the Council noted it reserves the right not to accept the lowest or any tender submitted if a minimum quality threshold of 40 marks is not achieved. As the tenders submitted did not meet this minimum threshold, authority is being sought to procure a full design team using the European Procurement Regulations by placing a notice in the Official Journal of the European Union (OJEU).
- 3.8. In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

Ref.	Requirement	Response
(i)	The nature of the service/ works.	To procure a full design team to a hybrid planning application for the comprehensive redevelopment of the Peel Site.
(ii)	The estimated value.	The value of this contract will be determined through the competitive tender process but it is anticipated the value will be approximately £900,000.
(iii)	The contract term.	The contract period will be approximately nine (9) months.
(iv)	The tender procedure to be adopted including whether any part of the procedure will be conducted by electronic means and whether there will be an e-auction.	OJEU compliant restricted procedure procurement route, in which parts of the procedure may be conducted by electronic means but there will not be an e-auction.
v)	The procurement timetable.	Indicative dates are:

Ref.	Requirement	Response
		<p>Adverts placed – October 2014</p> <p>Expressions of interest returned – November 2014</p> <p>Shortlist drawn up in accordance with the Council's approved criteria – November 2014</p> <p>Invitation to tender – December 2014</p> <p>Deadline for tender submissions – February 2015</p> <p>Panel evaluation, interviews and panel decision – February/March 2015</p> <p>Cabinet approval and following 10 day mandatory standstill period, contract start date – March 2015</p>
(vi)	The evaluation criteria and process.	<p>Shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing requirements, technical capacity and technical expertise.</p> <p>Officers will evaluate the tenders from the shortlisted bidders on the basis of "most economically advantageous tender criteria" (MEAT) on the basis of percentage quality and percentage price, with a weighting of 40% applied to price and 60% applied to quality criteria.</p> <p>The quality criteria will consider how submissions perform in respect of:</p> <ul style="list-style-type: none"> - initial sketch proposal and vision for the Peel Site; - the quality of relevant experience of those named to work on the project; - the strength and experience of those named to work on the project, including sub-consultants; - the ability of the team to meet the Council's requirements relating to public consultation and programme;
(vii)	Any business risks associated with entering the contract.	The Council will ensure the associated development agreement is structured to minimise all business risks.
(viii)	The Council's Best Value duties.	The procurement process will seek to ensure best value is achieved.
(ix)	Consideration of Public Services (Social Value) Act 2012	See Section 8.
(x)	Any staffing implications, including TUPE and pensions.	No staffing implications relating to TUPE or pensions.
(xi)	The relevant financial, legal and other considerations.	See Sections 4 and 5. This procurement process is in line with the Council Standing Orders and EU Procurement Regulations.

- 3.9. The Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

Peel - Statutory Consultation on the use of Ground 10A, CPO & the Peel Allocation Policy

- 3.10. The Executive have previously approved the adoption of allocation policies for earlier phases of the South Kilburn regeneration programme which set out the Council's policies for allocation of replacement homes to secure tenants living in homes which were/are to be demolished as part of the overall regeneration programme.
- 3.11. The Council has developed a bespoke Allocation Policy specifically for secure tenants living in the Peel Homes, a stand alone phase of the South Kilburn regeneration programme. The Council's rationale for changing the Allocation Policy from those used on earlier phases is that, in order to facilitate the redevelopment of the Peel Site, the replacement affordable homes to be built within the Peel Site will be made available to the secure tenants currently living in the Peel Homes. In a bid to ensure that the Peel replacement affordable homes meet the decant requirements of those secure tenants, in so far as is possible, the Peel replacement affordable homes will be built bespoke to the existing secure tenants housing needs. This is the first phase of the South Kilburn regeneration programme where this will be done and is the only way that the Council can bring forward the redevelopment of the Peel Site now.
- 3.12. The draft Allocation Policy for the Peel Homes set out the Council's proposed policy for the allocation of replacement homes to secure tenants currently living in the Peel Homes which will be demolished as part of a stand alone phase of the South Kilburn regeneration programme. It also sets out the two legal processes on which the Council will rely in order to secure possession of the Peel Homes: Court proceedings under Ground 10A of Schedule 2 of the Housing Act 1985 or a CPO.
- 3.13. On 11 November 2013 the Executive authorised that statutory consultation could be undertaken with secure tenants in the Peel Homes on three proposals; (i) statutory consultation in connection with seeking approval of the Secretary of State pursuant to Part V of Schedule 2 to the Housing Act 1985 for use of Ground 10A of Schedule 2; (ii) consultation on the Council's proposal to make a CPO on dwellings in the Peel Homes; and (iii) consultation in connection with a draft Allocation Policy for Peel.
- 3.14. The representations received in response to the consultation and the Council's responses to them are shown at Appendix 2. The Cabinet must consider all representations and the matters set out in this report before making any of the decisions recommended in sections 2.3 and 2.4 of this report.
- 3.15. On 24 July 2014, formal notices were served by hand on all secure tenants in the Peel Homes on the following 3 proposals:
- a. statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985;
 - b. consultation in connection with intention to make a CPO on properties currently occupied by secure tenants;
 - c. consultation in connection with draft Allocation Policy for secure tenants living in the Peel Homes.

- 3.16. The notice included a covering letter, booklet and comments sheet, copies of which are shown at Appendix 5. Secure tenants could also submit comments by completing and submitting an online comments form at <https://www.surveymonkey.com/s/peel1>. The booklet noted that comments or observations should be made to the Council within a period of 28 days, which commenced the day the notices were served.
- 3.17. The letter invited affected secure tenants to attend a meeting on Tuesday, 29 July 2014 at 7pm at The Carlton Hall, Canterbury Terrace, NW6 5DX, where the proposals the subject of consultation would be explained in detail and where affected secure tenants would have the opportunity to ask questions. Six secure tenants living in the Peel Homes attended the meeting. Questions raised in response to the presentation included how would secure tenants be able to move to properties outside of the Peel Site and what size of property secure tenants would be offered. Further, on 4 August 2014, Officers met with the South Kilburn Tenant Representative and the Independent Tenant Advisor to discuss the three proposals being consulted upon.
- 3.18. The booklet gave information on all three proposals that were the subject of formal consultation as follows:

Proposed use of Ground 10A

- 3.18.1. Pages four to six of the booklet set out the main features of the regeneration of the Peel Site and stated the Council's proposal to make an application to the Secretary of State for formal approval of the proposed redevelopment of the Peel Site for the purposes of Ground 10A.

Proposed use of CPO on dwellings occupied by secure tenants in Peel

- 3.18.2. Pages seven and eight of the booklet set out the rationale for the Council's proposal to promote a CPO on dwellings occupied by secure tenants in Peel as part its proposed policy for securing possession; because the Council cannot be guaranteed to secure the regeneration of the Peel Site in a timely and efficient manner by the use of Ground 10A alone. The letter and booklet also advised that the Council intends to use CPO as a means to gain possession of dwellings occupied by secure tenants when it needs to ensure the timetable for regeneration could be complied with.

Draft Allocation Policy for secure tenants with homes in Peel

- 3.18.3. Pages nine to forty-one of the booklet included a copy of the draft Allocation Policy for Peel which sets out the policy for the allocation of replacement homes to secure tenants currently living in homes within the Peel Site, which will be demolished as part of the South Kilburn regeneration scheme. The consultation documents noted that the Allocation Policy had been drafted to reflect the intention to use both Ground 10A and CPO powers to seek possession of homes currently occupied by secure tenants. The draft Allocation Policy also set out the policy and procedure for the making of home loss and disturbance payments to secure tenants, who are entitled to such payments in accordance with Council policy (including the Land Compensation Act 1973).
- 3.18.4. In November 2013, the Executive approved to progress the development of Peel and for it to be delivered as a stand alone phase of the South Kilburn regeneration programme, enabling the delivery of the South Kilburn Health Centre ahead of planned programme.

3.18.5. The draft Allocation Policy for Peel noted that in order to facilitate the redevelopment of the Peel Site, the replacement affordable homes to be built within the Peel Site will be made available to secure tenants currently living within the Peel Homes. In order to try to ensure that the replacement affordable homes to be built within the Peel Site meet the decant requirements of those secure tenants, in so far as possible, the replacement affordable homes to be built within the Peel Site will be built bespoke to the existing Peel secure tenants housing needs.

3.18.6. In order to incorporate the existing secure tenants' housing needs into the design of those new homes, the Council has already carried out a housing needs assessment of the secure tenants currently living within the Peel Homes. The impact of designing bespoke homes according to secure tenants' housing needs now is that, if those housing needs change, it may not be possible to accommodate them in the replacement affordable homes to be built within the Peel Site. The Allocation Policy has been drafted to confirm the possible locations of a replacement property in those circumstances.

3.18.7. It was noted during the housing needs assessment home visits that some secure tenants with homes in the Peel Site wish to move in advance of their existing properties being required for redevelopment. Accordingly, the following was included at paragraph 7.4 of the Allocation Policy for secure tenants of Peel: *'for some Secure Tenants living within the Peel Homes, this may mean a Suitable Offer of a permanent home within another redevelopment site of the South Kilburn regeneration programme, if there is a surplus of affordable homes. Such a move may be in advance of a Secure Tenant's existing home being required for redevelopment'*.

3.19. Following the public meeting on the 29 July 2014, the meeting with the South Kilburn Tenant Representative and the Independent Tenant Advisor on the 4 August 2014 and the statutory consultation, representations were received from the Independent Resident Advisor and the Tenant Representative as follows:

Proposal	Number of Comments
Statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act, 1985	Zero (0)
Consultation in connection with intention to make a CPO on properties currently occupied by secure tenants	Zero (0)
Consultation in connection with draft Allocation Policy for secure tenants with homes Peel	Three (3)

3.20. The representations received as part of this consultation process have now been considered, and consequently it is proposed to update the original draft Allocation Policy that was included at pages ten to forty-one of the booklet as follows:

- a. **Paragraph 5.3 (new)** – this paragraph was not included in the original draft. The new paragraph sets out an additional instance where the Council will offer a secure tenant a larger replacement home than that which they would otherwise be entitled under the Brent Housing Allocation Policy 2013.
- b. **Paragraph 7.7 (new)** – this paragraph was not included in the original draft. The new paragraph provides where a suitable offer of permanent

accommodation within South Kilburn cannot be identified a suitable offer of alternative accommodation may be an offer to move to a temporary home within a block due for demolition as part of the South Kilburn regeneration programme. The secure tenant would remain in the temporary home until it is required for demolition as part of the South Kilburn regeneration programme, at which time the secure tenant would be made a suitable offer of a new replacement home. This would guarantee the secure tenant a 'right to return' to a new home on the estate. Insertion of this paragraph also required the definition of a 'suitable offer' at paragraph 2.10 and paragraph 5.1 of the home loss and disturbance policy to be amended.

- c. **Paragraph 9.1** – the original draft set out information on the rent levels of new affordable homes on South Kilburn. This has been updated to reflect the recently issued Government guidance on rent increases.
- d. **Appendix 1** – replaced 1 to 13 St Paul's Walk with correct name, 1 to 13 Bristol Walk.

- 3.21. A copy of the final Allocation Policy for secure tenants with homes in Peel is shown at Appendix 6.

Phase 3

- 3.22. On 11 November 2013, the report to Executive noted that the affordable homes being delivered as part of the redevelopment of Bronte House and Fielding House (being part of '**Phase 2a**') will be made available to secure tenants currently residing in Hereford House and Exeter Court (as shown edged red on plan at Appendix 7 and being part of '**Phase 3**'), thereby facilitating vacant possession of those sites for redevelopment. To this end, Cabinet approval is being sought to undertake statutory consultation with secure tenants residing in Hereford House and Exeter Court on three proposals (i) statutory consultation in connection with seeking approval of the Secretary of State for use of Ground 10A of the Housing Act 1985 (ii) consultation on the Council's proposal to make a CPO on properties in Hereford House and Exeter Court that are currently occupied by secure tenants (iii) consultation in connection with the draft allocation policy for allocating homes to secure tenants living within Hereford House and Exeter Court, which will be commensurate to allocation policies adopted for previous phases of the South Kilburn regeneration programme.

- 3.23. Statutory consultation is required by Section 105 of the Housing Act 1985 on certain changes in practice and/or policy in relation to the proposal to make a CPO and the draft Allocation Policy for Hereford House and Exeter Court. Once completed, a consultation report will be produced for the Cabinet to consider. The consultation report will include a summary of the feedback received from secure tenants occupying properties in Hereford House and Exeter Court in response to the three consultation proposals and the Council's responses to the feedback received. Depending on the outcome of the consultation, Cabinet approval may be sought to authorise the Strategic Director of Regeneration and Growth to seek the Secretary of State's consent to the disposal and development of Hereford House and Exeter Court for the purpose of Ground 10A of Schedule 2 to the Housing Act 1985 and authorise the final Phase 3a Allocation Policy.

4. Financial Implications

Peel Design Team Appointment

- 4.1. In order to prepare a hybrid planning application for the comprehensive redevelopment of the Peel Site, authority is being sought to procure a full design team through an OJEU compliant procurement process. Pinsent Masons solicitors are advising on the OJEU, fees which can be resourced from the South Kilburn regeneration programme budget for 2014/15.

Peel - Use of Ground 10A, CPO & Peel Allocation Policy

- 4.2. The financial implications of the policies for seeking possession from secure tenants in the Peel Homes using Ground 10A of the Housing Act 1985, CPO under section 226(1)(a) of the Town and Country Planning Act 1990 and the Peel Allocation Policy relates to the making of home loss and disturbance payments to secure tenants who are entitled to such payments in accordance with Council policy and legislation (including the Land Compensation Act 1973). Secure tenants, who move out of their homes, provided they have lived there for at least twelve months before their move and it is their only or principal home, will be eligible for a home loss payment which is currently a minimum of £4,700 but which may change in line with government legislation over the period of the regeneration. The Council will always pay the rate which applies at the time of the secure tenant's move. In addition to home loss payments, reasonable disturbance costs, including, but not limited to, removal expenses, redirection of mail and telephone disconnection and reconnection may be payable to secure tenants who are entitled to such payments. Anticipated home loss and disturbance payments to secure tenants with homes in Peel can be resourced from the Kilburn regeneration programme budget.

Financial implications for the Housing Revenue Account

- 4.3. Following the implementation of the new Housing Self Financing system in April 2012, the Council Housing Revenue Account (HRA) will no longer receive Housing Subsidy payments from the Government in order to maintain a balanced HRA position, so the estimated rental income loss arising from holding properties as void or the subsequent demolition of properties will be a "real" cost to the HRA and impact on the affordability of the Business Plan. This loss is offset in the Business Plan in those cases where the properties were included in the Self Financing Settlement, as the impact on the rental flow is forecast and taken into account in calculating an affordable HRA position.
- 4.4. The proposed demolition of properties within the Peel Site were not originally included within the Self Financing Settlement and could have impacted upon the affordability of the HRA Business Plan. However, a recent update of the HRA Business Plan has demonstrated that the impact of rent loss is offset by the reduction in associated maintenance and management costs.

5. Legal Implications

Peel Architect and Lead Consultant Appointment

- 5.1. As detailed in paragraph 3.5 above, a mini-competition under Lot 2 (Architecture) of the GLA and TfL ADUP framework agreement was conducted in relation to the procurement of an architect and lead consultant to prepare a hybrid planning application for the comprehensive redevelopment of the Peel Site. The Public Contracts Regulations 2006 (the "EU Procurement Regulations") allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process.

- 5.2. The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established pursuant to EU Procurement Regulations by another contracting authority, where call off under the framework agreement is recommended by the relevant Chief Officer, to include confirmation that there is sufficient budgetary provision for the proposed call-off. However, this is subject to the Director of Legal and Procurement advising that participation in the framework agreement is legally permissible. On 4 July 2014, confirmation that use of the framework was legally permissible was given by the Director of Legal and Procurement in relation to the Peel Site respectively.
- 5.3. As the minimum quality threshold for the evaluation of the two tenders received for Peel (as set out in paragraph 3.6) was not met, approval is being sought to invite tenders for a full design team to prepare a hybrid planning application for the comprehensive redevelopment of the Peel Site. The value of this proposed procurement over its lifetime will be higher than the EU threshold for Services and the procurement of the contract is therefore governed by the EU Procurement Regulations.
- 5.4. The value of this proposed procurement over its lifetime means that it will be classed as a High Value Contract under Contract Standing Orders and accordingly the Cabinet must approve the pre-tender considerations set out in paragraph 3.8 above (Standing Order 89) and the inviting of tenders (Standing Order 88).
- 5.5. Once the tendering process is undertaken, Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contracts and recommending award.
- 5.6. As this procurement will be subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar days standstill period imposed by the EU Regulations before the contract can be awarded. The requirements include notifying all tenderers in writing of the Council's decision to award and providing the prescribed information which includes the reasons for the decision and the characteristics and relative advantages of the winning bid. The standstill period provides unsuccessful tenderers with an opportunity to challenge the Council's award decision if such challenge is justifiable. However if no challenge or successful challenge is brought during the period, at the end of the standstill period the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.

Ground 10A of Schedule 2 to the Housing Act 1985 (Legal)

- 5.7. The Council is required to obtain the approval of the redevelopment scheme from the Secretary of State when seeking to re-house secure tenants who will not leave the properties that are due to be demolished in furtherance of the redevelopment scheme. Before seeking such approval, the Council is required to consult with affected tenants. Approval from the Secretary of State will enable to Council to use Ground 10A of Schedule 2 to the Housing Act 1985. The paragraph states that the landlord must first:
- a. serve a notice in writing on all secure tenants whose dwellings are affected by the scheme, stating: the main features of the scheme (or the scheme as it will be after a proposed variation to it); that the Secretary of State's approval is to be sought; and the effect of such approval in relation to proceedings for possession of the dwellings;

- b. inform the tenants that they have a specified period (which must be at least 28 days) in which to make representations to the landlord; and
 - c. consider any representations during that period.
- 5.8. Unlike a tenanted transfer, however, no formal ballot is required to be carried out. However, the Secretary of State, before giving his consent, will consider the following:
- a. the effect of the scheme on the extent and character of housing accommodation in the neighbourhood;
 - b. over what period of time it is proposed that the disposal and redevelopment will take place in accordance with the scheme;
 - c. to what extent the scheme includes provision for housing provided under the scheme to be sold or let to existing tenants or persons nominated by the landlord;
 - d. any representations made to him and, so far as they are brought to his notice, any representations made to the landlord.
- 5.9. The landlord, in this case, the Council, must not apply to the Secretary of State for approval of a scheme unless the statutory consultation procedure has been carried out.

Section 105 of the Housing Act (Legal)

- 5.10. Under section 105 of the Housing Act 1985, the Council as a local authority landlord has a duty to consult with those of its secure tenants who are likely to be substantially affected by a change in practice or policy relating to matters of housing management, which includes the management, maintenance and improvement of dwelling houses let by the Council under secure tenancies and the provision of services or amenities in connection with such dwelling houses. The consultation requirements under section 105 of the Housing Act 1985 must enable the secure tenants likely to be affected to be informed of the Council's proposals and to make their views known to the Council within a specified period. The Council, before making any decision on the matter, must consider any representations received during the specified consultation period.

6. Diversity Implications

- 6.1 South Kilburn is identified as a priority for driving economic opportunity and regeneration within Brent – Creating Opportunities, Improving Lives (Brent Borough Plan 2013-14). The Regeneration Strategy for Brent 2010-2030 identifies the transformational change of South Kilburn within strategic priority one. The area was previously a New Deal for Communities area and as such, all interventions are specifically targeted at those people who suffer disadvantage in society. South Kilburn Trust, through its widening participation, seek to find ways of involving and engaging with all local residents and particularly those who traditionally are 'hard to reach'. There has been and will continue to be widespread consultation and community engagement as proposals for the physical regeneration of the area are developed and delivered.

- 6.2 The new homes in South Kilburn are available to all tenants within the neighbourhood regardless of their ethnicity, nationality or national origin, age, gender, sexual orientation, disability, gender identity or expression or religion or belief. A proportion of new homes are designed to be wheelchair adaptable while the allocations process considers the housing needs of tenants in respect of issues that maybe derived from individuals' age, disability, gender reassignment, pregnancy and maternity status, marriage and civil partnership status, race, religion or belief, sex, sexual orientation, ethnicity, nationality or national origin. The potential impact of the recommendations relating to how the Council takes possession of properties occupied by secure tenants within blocks earmarked for redevelopment within Peel is considered in the Equalities Analysis at Appendix 8. The equality analysis concludes that the proposal will have a positive impact on younger people, disabled people and people who are pregnant or have very young children and a neutral impact in relation to all the other equality characteristics.

7 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no specific staffing or accommodation implications associated with the proposals contained within this report.

8 Public Services (Social Value) Act 2012

Peel Design Team Appointment

- 8.1 The Council is under duty pursuant to the Public Services (Social Value) Act 2012 to consider how the services being procured might improve the economic, social and environmental well-being of its area; how, in conducting the procurement process, the council might act with a view to securing that improvement; and whether the council should undertake consultation. This duty applies to the procurement of the proposed contract.
- 8.2 The services being procured aim to improve the economic, social and environmental well-being of residents of South Kilburn through the preparation of a hybrid planning application for the comprehensive redevelopment of the Peel Site to deliver a new fit for purpose health centre for the benefit of the whole community, new affordable homes to rehouse existing secure tenant of South Kilburn, hugely improving their living conditions and reconnecting the area to its surrounding neighbourhoods.

Appendices

- Appendix 1 Plan of the Peel Site
- Appendix 2 Peel responses to consultation
- Appendix 3 Peel tenderers (restricted)
- Appendix 4 Peel tenderers scores
- Appendix 5 Peel consultation covering letter, booklet and comments sheet
- Appendix 6 Final Allocation Policy for secure tenants with homes in Peel
- Appendix 7 Plan of Hereford House and Exeter Court
- Appendix 8 Equalities Analysis

Contact Officers

Noreen Twomey

Project Manager Estate Regeneration
Tel: 020 8937 6482
E-mail: Noreen.twomey@brent.gov.uk

Richard Barrett
Operational Director Property & Projects
Tel: 020 8937 1334
Email: Richard.barrett@brent.gov.uk

ANDREW DONALD
Director of Regeneration and Growth