

MUNICIPAL YEAR 2010/2011 REPORT NO. 238

MEETING TITLE AND DATE:

Cabinet – 27th April 2011

JOINT REPORT OF:

Ray James, Director of Health, Housing and Adult Social Care and Neil Rousell, Director of Regeneration, Leisure and Culture.

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Agenda – Part: 1

Item: 10

Subject: Ladderswood Regeneration Report: Selection of a preferred Development Partner and authorisation to enter into a Development Agreement with the preferred Ladderswood Development Partner

Cabinet Members consulted:

Cllr Doug Taylor, Cllr Andrew Stafford, Cllr Achilleas Georgiou, Cllr Del Goddard

1. EXECUTIVE SUMMARY

- 1.1 Ladderswood is a regeneration project of key strategic importance to the Council. The regeneration of the estate and the neighbouring industrial estate will see new homes, new streets, new commercial spaces, new employment and training opportunities, new community facilities and new open spaces provided. The vision is to create a truly attractive, enjoyable and sustainable place for people to live and work. The Ladderswood regeneration will contribute to key deliverables within the Sustainable Community Strategy for Enfield 2009 – 2019, 'Enfield's Future' by improving the New Southgate and North Circular Road area.
- 1.2 This report marks an important milestone in the project's life cycle; the selection of a preferred Development Partner, pursuant to a Competitive Dialogue Procedure (in accordance with the Public Contracts Regulations 2006) and the recommendation for the Council to enter into a Development Agreement with the preferred Development Partner.
- 1.3 This report provides a detailed summary of the competitive dialogue process delivered by the Council, including a summary of the consultation and engagement of residents and key stakeholders.

2. RECOMMENDATIONS

- 2.1 Note the detailed summary of the competitive dialogue process delivered by the Council.
- 2.2 Note the consultation and community engagement carried out as part of the Ladderswood redevelopment.
- 2.3 Note the outcome of the legal, financial and design evaluations of the Bids submitted by the two short-listed Bidders at the final tender stage.
- 2.4 Appoint Bidder A as the Council's preferred Development Partner for the Ladderswood regeneration and then enter the Development Agreement with the preferred Development Partner.
- 2.5 Authorise the Council's Legal Services to obtain all the necessary statutory consents and to exchange contracts in respect of the Development Agreement and all other associated legal documentation that the Council is obligated to complete to comply with the Development Agreement including those agreements that will govern the relationship between the preferred Development Partner and the Council.
- 2.6 Note the actions still required by the Council post contract closure.
- 2.7 Note the position on the adoption of roads and public realm areas in Ladderswood.
- 2.8 Delegate authority to the Authorised Officer within legal services to sign the Development Agreement and all other associated legal documentation that the Council is obligated to complete to comply with the Development Agreement including those agreements that govern the relationship between the preferred Development Partner and the Council.

3. BACKGROUND

- 3.1 The redevelopment of the Ladderswood Way estate and the adjoining New Southgate Industrial estate is a project of major strategic importance for the Council and its regeneration ambitions. Set within the context of the recently adopted New Southgate Masterplan, the project aims to transform this part of the Borough into a vibrant and sustainable neighbourhood by providing a mixture of new homes, new streets, new commercial spaces, new employment and training opportunities, new community facilities and new open spaces.
- 3.2 Council officers have been dialoguing with the two shortlisted Bidders (Mulalley partnered with One Housing and Higgins partnered with Notting Hill Housing Trust) to ensure that the Bids, submitted at the final tender stage, achieve the vision and aspirations for Ladderswood as set out below.
- 3.3 The vision for Ladderswood has been drawn up with the residents of the Ladderswood Way estate and is set out in Section 3 of the *Ladderswood Way Estate – Design Guidance Report 2009*, produced by Shepherd Epstein and Hunter and endorsed by Cabinet in November 2009. The vision sets out the following aspirations for the area:
- The regeneration of the Ladderswood Way Estate should enable the residential area to maximise opportunities for a diverse and integrated community, with design which provides choice through a varied mix of residential unit types and sizes including family dwellings. The proposals should also respond to local needs by including more ground floor properties with private external spaces than exists at present. The design should result in a distinctive and understandable space with a clear image, which is easy to understand; currently the estate has a confused image of a residential area and an industrial estate which contributes to a feeling of isolation in this residential corner of New Southgate.
 - There should be improvements to existing roads and provision of new links and routes, with intersections and landmarks to help wayfinding around and through the estate and enhanced connections to wider residential areas.
 - Increased neighbourhood vitality helping to create a sense of community should be an important consideration as part of the Ladderswood Way proposals, including the creation of active residential streets, increasing the area's liveliness and providing the opportunity for more active community spaces.
- 3.4 The resident's design panel, which was consulted as part of the indicative scheme, produced by Shepherd Hunter and Epstein, were keen that any redevelopment design for their estate includes improved

amenity space and community facilities, something which is lacking in this area of New Southgate. The residents see a new amenity space and community facility as key considerations for any future development.

Procurement process of the preferred development partner

- 3.5 In November 2009, the Cabinet of the Council approved the development strategy for the Ladderswood Regeneration Programme (Key decision reference: 2952) as part of the wider regeneration strategy for regenerating the area; as set out in the New Southgate Masterplan.
- 3.6 The strategy required the Council to procure a development partner pursuant to a Competitive Dialogue procedure in accordance with the Public Contracts Regulations 2006; upon selection, the Council would enter into a Development Agreement with the preferred development partner. The procurement consisted of four stages:
- Stage 1: Pre-Qualification Questionnaire
 - Stage 2: Invitation to Participate in Competitive Dialogue
 - Stage 3: Invitation to Submit Detailed Solutions
 - Stage 4: Final Tenders
- 3.7 The timetable below sets out the procurement process delivered by the Council. Stages 1, 2 and 3 are set out in detail in the 25th November 2010 *Ladderswood Place Shaping Report: Detailed update on the Ladderswood Place Shaping Programme and outcome of the decision to short-list Bidders* (Key decision reference: 3128). Stage 4: Final Tender, is described in this report.

Ladderswood Procurement Timetable	
Task	Start / Completion Date
Stage 1: Pre-Qualification Questionnaire	
OJEU issued	15 th January 2010
Pre-Qualification Questionnaire issued	20 th January 2010
Suppliers' Event	4 th February 2010
PQQs received	26 th February 2010
PQQs evaluated and 3 Bidders short-listed	16th April 2010
Stage 2: Invitation to Participate in Competitive Dialogue	
Invitation to Participate in Competitive Dialogue (ITPD)	17 th June 2010
Pre-submission meeting with 3 shortlisted bidders	24 th June 2010
Interim Solution submitted	7 th July 2010
Dialogue meetings	21 st July to 19 th August 2010
Stage 3: Invitation to Submit Detailed Solutions	
Invitation to Submit Detailed Solutions	23 rd August 2010
Detailed solutions submitted	10 th September 2010
Evaluation of Bids	10th Sept to 29th Sept 2010
Cabinet authorise delegated authority to short list	13th Oct 2011
Delegated decision to shortlist from 3 to 2 Bidders	27th Oct 2010
Detailed Dialogues	9th Nov to 15th Dec 2010
Stage 4: Final Tender	
Invitation to Submit Final Solutions	23 rd December 2010
Bidders submit Final Tenders	28th Jan 2011
Evaluation of Bids	28th Jan to 23rd Feb
Cabinet agree preferred Development Partner	27th Apr 2011
Bidders and Residents informed subject to Cabinet call in	6 th May 2011
Alcatel standstill period	May to 2011
Award decision published	May 2011
LBE enters into a Development Agreement with the preferred Development Partner	May / June 2011
Planning Application submitted	6 months after DA is signed

- 3.8 On the 13th October 2010, the Cabinet of the Council delegated authority to short-list the Bidders from 3 to 2 at Detailed Solutions stage to the Leader of the Council, the Cabinet Member for Regeneration and Improving Localities and the Cabinet Member for Finance, Facilities and Human Resources. The same report also authorised additional funds to continue the leasehold buy back programme and for the buyback programme to expand beyond the original scope of the November 2009 report, to now include buybacks from Betspath House.
- 3.9 The decision to short list the two consortia (Mulalley partnered with One Housing and Higgins partnered with Notting Hill) was announced on the 27th October 2010. The two consortia were then invited to dialogue further before submitting their Final Tenders on the 28th January 2011.
- 3.10 The requirements of each Bid are set out in detail in the Invitation to Submit Final Tenders which was issued to the Bidders on the 23rd

December 2010. The Bids submitted on the 28th January 2011 meet the minimum scheme requirements of the Council.

- 3.11 As with the evaluation of the Detailed Solutions, the Final Tender Bids were evaluated against Legal, Financial and Quality / Design criteria. The criteria are set out in the Invitation to Submit Final Tenders. The consortium who submitted the highest scoring Compliant Bid is being recommended to Cabinet as the preferred Development Partner for Ladderswood.
- 3.12 The procurement of the preferred Development Partner has been delivered to timetable.
- 3.13 In accordance with the Public Contracts Regulations 2006, there has been genuine competition at the Final Tender stage with two Bids from credible Bidders.

Consultation and Community Engagement

- 3.14 The Council has made a clear commitment to putting residents at the heart of the Ladderswood Regeneration Programme. The Ladderswood Resident Panel has been instrumental in conveying the desires and aspirations of the residents to both the Council and the Bidders. The Panel has recently appointed an Independent Tenant and Leasehold Advice service to support the Panel as well as providing impartial and independent advice to residents.
- 3.15 The table below sets out the history of the consultation and engagement on Ladderswood since the November 2009 Cabinet report. Considerable effort has been made to enable residents to feed into the procurement process of the development partner and the Final Tenders have responded to considerable resident input; this includes input around internal flat layouts, massing and building heights, external design and storage issues and location of private and affordable housing. Another key area where residents have affected change in the bids is around an increase in the number of dual aspect properties and in the number of houses.
- 3.16 The Ladderswood Resident Panel has appointed an Independent Tenant and Leasehold Advisor to provide independent and impartial advice to residents and also to support the Ladderswood Resident Panel.
- 3.17 The Council envisages that the Ladderswood Resident Panel will continue to play a central role in the regeneration of the area; their terms of reference set out the desire;
 - (a) to act as a forum whereby the Council and the chosen development partner must consult and obtain views of the tenants and leaseholders on the estate;

- (b) to work with the Council to ensure the Ladderswood regeneration programme delivers a high quality development which meets the needs of the existing community whilst also contributing to the wider needs of the Borough;
- (c) to assist the Council in effectively communicating and consulting with residents on the Ladderswood estate, the commercial tenants on the New Southgate Industrial estate and residents in the wider New Southgate area;
- (d) to be consulted on any documentation issued to residents;
- (e) to determine future management arrangements for the estate.
- (f) to monitor progress in the regeneration of the Ladderswood regeneration programme
- (g) to participate with the Housing Association on the redevelopment of Social Housing.
- (h) to represent the residents and the Ladderswood Resident Panel at key council meetings where decisions are to be taken in regards to the Ladderswood regeneration programme

Consultation Session	Date	Description
Ladderswood Resident Panel	First Tuesday of every month	The Ladderswood Resident Panel consists of residents living on the Ladderswood Estate who wish to work with the Council in taking forward the regeneration of the area.
New Southgate Industrial Estate meetings	Initially meetings held every two months and now email updates	The Council facilitated bi-monthly meetings with the commercial tenants; these are being reviewed to ensure they remain effective tools for communicating updates to the tenants. Regular one-to-one meetings with LBE Property Services continue.
Woodberry Down site visit	6 th April 2010	Ladderswood Resident Panel taken to see the Woodberry Down development; opportunity to discuss redevelopment issues with the Chair of the Woodberry Down Community Organisation (WDCO). The Chair of WDCO then attended the first of the site visits.
Tenants and	21 st June 2010	Tenants and Leaseholders invited to resident

Leaseholder Re-housing event		event to discuss the re-housing programme.
Site visits	17 th July, 31 st July and 14 th August 2010	The 3 bidders organised individual visits to various developments across London to demonstrate to residents, Councillors and officers examples of similar developments completed elsewhere.
Bidder and Resident Panel sessions	3 rd , 4 th , 5 th August 2010	Each bidder was invited to meet with the Resident Panel on an individual basis to discuss their detailed solutions
Bidder and New Southgate Industrial Tenants sessions	27 th , 28 th , 29 th July 2010	Each bidder was invited to meet the New Southgate Industrial Tenants
Bidder and Garfield Primary School sessions	27 th July 2010	The Council organised meetings between the bidders and the local Primary School.
Bidder and Millennium Green Trustees sessions	18 th August 2010	Each bidder was invited to meet the Millennium Green trustees and then again in December 2010 to agree works and services.
Lorne and Roberts consultation	18 th August 2010	Consultation event with residents of Lorne and Roberts House to clarify the status of the two blocks.
Scheme exhibition	22 nd September 2010	Residents and businesses in the New Southgate area were invited to a public exhibition of the 3 bidding schemes.
New Southgate Festival	25 th September 2010	Model and scheme information presented at the New Southgate Festival.
Door knocking	13 th October 2010	The Project Manager and the Re-housing officer door knocked Lorne and Roberts House to discuss the development.
Lorne and Roberts feedback session	3 rd November 2010	Opportunity for LBE officers to feed back the findings of the consultation.
Assured Tenancy event	7 th December 2010	Event held for all residents to discuss what it means to be a Housing Association tenant.
Lorne and Roberts feedback session	10 th February 2011	Opportunity for residents to have their comments heard before the March Cabinet meeting.
No 10	4 th April 2011	Void flat refurbished and now opened as a community hub; providing information, advice and guidance on a range of services from housing to health.

- 3.18 Going forward the emphasis on consultation and engagement will increase. A resident website will be established to keep them up to date on the latest developments on Ladderswood. Residents will be involved in discussions around the ongoing and long term management and maintenance of the estate. This will include discussions over what services the Housing Association will deliver and how this will affect the service charge. There will be opportunities for residents to discuss the proposed tenancy agreement and they will be supported by the Independent Advisor in all negotiations.
- 3.19 It is envisaged that a resident Design Panel will be set up and they will play an important role in the development of the detailed planning application to be submitted no later than 6 months after the signing of the Development Agreement.
- 3.20 A key element of the scheme is the inclusion of a community centre and residents will be heavily involved in deciding what services are delivered from the centre and how it is managed.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 In November 2010 the Government circulated a consultation paper, A Fairer Future for Social Housing. The paper includes a number of key policy proposals which will impact on Ladderswood. These proposals include the potential move to the new affordable rent model. To take account of these proposals the option was available to the Council to extend the period of dialogue at the final tender stage to such time in the future when there is greater clarity as to whether the new initiatives proposed in A Fairer Future for Social Housing would be taking affect.
- 4.2 This option had several risks attached. Firstly, it is unclear as to when there would be sufficient clarity over these policy issues not only from Government but also from the Council to close the procurement. This would push back the date for contract close, increase bidder costs, lose momentum built up over the last 9 months and ultimately delay the selection of a development partner and the start of the development itself.
- 4.3 As a contingency the Development Agreement contains a number of clauses which allow the Council to benefit should the affordable rent model be adopted by the Council.

5. REASONS FOR RECOMMENDATIONS

- 5.1 To enable the Council to select a preferred Development Partner, to agree the final form of the documentation and to then enter into contract to deliver the regeneration of the Ladderswood Estate and the New Southgate Industrial Estate.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Legal Implications

6.1.1 The Ladderswood procurement process has been conducted in accordance with the Competitive Dialogue procedure under the Public Contracts Regulations 2006, and Councils Constitution, in particular the Contract Procedure Rules. Continued compliance will ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.

6.1.2 The Council is empowered to dispose of housing land under Section 32 of the Housing Act 1985. However, an open market sale of the housing land at Ladderswood will require the specific consent of the Secretary of State. An application will need to be made and the consent will need to be secured prior to the exchange of the development agreement

7. KEY RISKS

A detailed risk register has been maintained for the Ladderswood Regeneration Programme. Risks are monitored on a regular basis by the Ladderswood Project Team and then reported to CMB on a weekly basis.

Where required, the Council has commissioned external consultants with specialist procurement, financial and legal expertise to meet the needs of the project and to minimise the risk of challenge.

The Council does not have the flexibility under Competitive Dialogue to negotiate changes to final bids. Therefore the challenge for the contracting authority is to balance the legal requirements with the need to achieve contract signature in an environment where change can occur between the closure of the dialogue phase and contract signature. At the final tender stage only fine tuning and clarification requests can be made.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Ladderswood Regeneration Programme contributes to this aim by tackling inequality and access to social housing by providing new homes, a mix of tenure and employment opportunities in the New Southgate Masterplan area.

Through the dialogue process the Council has protected tenants' rents and existing residents on Ladderswood, on moving into their new property on Ladderswood, will remain on their LBE rent level, subject to the standard annual increases.

8.2 Growth and Sustainability

The Ladderswood Regeneration Programme contributes to this priority by building strong and sustainable futures for our residents. The scheme attracts investment from the private sector, empowers the voluntary and community sector and promotes business growth by re-providing B1 commercial space. It is the flagship project in the New Southgate Masterplan and is the first step towards delivering the planned regeneration of the New Southgate Priority Area, and housing growth, as set out in the Masterplan and the Core Strategy.

8.3 Strong Communities

The Ladderswood Resident Panel plays a central role in driving forward change and regeneration in the local area to create a stronger community in the New Southgate Masterplan area. The Panel has nominated three representatives who will be part of the scoring panel, evaluating the Bidders submissions.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

This report does not recommend a change of service of implementation of new practices and therefore Performance Management Implications are not required.

10. HEALTH AND SAFETY IMPLICATIONS

Not applicable.

Background Papers

None