

**AGENDA ITEM: 5**      Pages 1 – 18

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|--|--|
| Meeting  | Cabinet Resources Committee  |
| Date   | 7 November 2011  |
| <b>Subject</b>   | <b>Dollis Valley Regeneration Scheme</b>   |
| Report of  | Leader of Council, Cabinet Member for Resources and Performance and Cabinet Member for Housing   |
| Summary  | To report on the competitive dialogue process to procure a development partner to redevelop the estate, and to seek approval to appoint the Council's development partner.   |
| <hr/>  |  |
| Officer Contributors   | <p>Tony Westbrook, Principal Project Manager Strategic Planning and Regeneration</p> <p>Susan Botcherby, Senior Project Manager, Strategic Planning and Regeneration</p> <p>Angela Latty, Assistant Project Manager, Strategic Planning and Regeneration</p> <p>Susan Lowe, Procurement Manager, Corporate Procurement Team, Commercial Services</p> |
| Status (public or exempt)  | Public with separate exempt report   |
| Wards affected   | Underhill  |
| Enclosures   | <p>Appendix 1 – Dollis Valley Regeneration Boundary Map</p> <p>Appendix 2 – Evaluation Criteria</p> <p>Appendix 3 – Key Provisions (Bidder A and Bidder C)</p>   |
| For decision by  | Cabinet Resources Committee  |
| Function of  | Executive  |
| Reason for urgency / exemption from call-in  | Not applicable   |
| Contact for further information: Susan Botcherby, Senior Project Manager, 020 8359 7671. |  |

## **1. RECOMMENDATION**

- 1.1 That, in exercise of the council's powers to secure the promotion or improvement of the social and environmental well-being of the council's area, pursuant to Section 2 of the Local Government Act 2000, the other statutory powers referred to in the Legal Issues Section of this report and all other relevant powers and taking account of its Community Strategy, authority be granted to:**
- 1.1.1 appoint Countryside/London & Quadrant consortium comprised of Countryside Properties (UK) Limited, London & Quadrant Housing Trust and as guarantor, Countryside Properties PLC (Bidder C) as detailed in the Exempt Report be as the Council's preferred development partner for the regeneration of the Dollis Valley Estate.**
- 1.1.2 approve the selection of Ideal LLP consortium comprised of Willmott Dixon Homes Limited, Stadium Islington Limited, Savills (L&P) Limited and as guarantors of a number of obligations Willmott Dixon Holding Limited and Network Stadium Housing Association Limited (Bidder A) as detailed in the Exempt report be the Council's reserve development partner for the regeneration of the Dollis Valley Estate.**
- 1.2 Delegate authority to the Deputy Chief Executive in consultation with the Leader of the Council to finalise any outstanding matters and the Agreement for the Regeneration of Dollis Valley and any other related legal agreements: with Bidder C; or with Bidder A if in his opinion it is not feasible to reach a timely agreement on outstanding matters with Bidder C.**
- 1.3 That the Council shall enter into the Agreement for the Regeneration of Dollis Valley and any other related legal agreements with Bidder C (or Bidder A if applicable under paragraph 1.3) subject to the Deputy Chief Executive being satisfied as to the terms of such agreements and the Assistant Director-Legal, or authorised delegate, being satisfied as to the form of such agreements.**
- 1.4 Delegate authority to the Deputy Chief Executive in consultation with the Assistant Director-Legal to decide whether:**
- (a) to rely upon one or more of the General Housing Consents 2005; or**
- (b) subject to the authorisation of the full Council to make a specific application for the consent of the Secretary of State for Communities and Local Government;**
- for the Council to dispose of land to Bidder C (or Bidder A if applicable under paragraph 1.3) in the Dollis Valley regeneration site which it holds under Part II of the Housing Act 1985.**
- 1.5 Delegate authority to the Deputy Chief Executive in consultation with the Assistant Director-Legal to decide whether:**

**(a) the Council is not required to seek the consent of the Secretary of State for Communities and Local Government; or**

**(b) to rely on the General Consent (Circular 06/03: The Local Government Act 1972 general disposal consent (England) 2003); or**

**(c) to make a specific application to the Secretary of State for his consent;**

**for the Council to dispose of land to Bidder C (or Bidder A if applicable under paragraph 1.3) in the Dollis Valley regeneration site which it holds other than under Part II of the Housing Act 1985.**

**1.6 Delegate authority to the Deputy Chief Executive in consultation with the Assistant Director-Legal to determine whether:**

**(a) the Council is providing financial assistance in respect of the regeneration of Dollis Valley as described in Section 24 of the Local Government Act 1988; and if so whether:**

**(i) to rely on one or more of the general consents under Section 25 of the Local Government Act 1988 (Local Authority assistance for privately let housing) 2010; or**

**(ii) to make a specific application to the Secretary of State for his consent under Sections 25 and 26 of the Local Government Act 1988;**

**in connection with the proposed regeneration of Dollis Valley.**

**1.7 Authorise the Interim Director for Planning, Environment and Regeneration to notify secure tenants affected by the proposed regeneration of Dollis Valley and enable the same to make representations to the Council in accordance with the requirements of Part V of schedule 2 of the Housing Act 1985.**

**1.8 Delegate authority to the Interim Director for Planning, Environment and Regeneration in consultation with the Leader of the Council to consider any representations made by secure tenants received under the process set out in paragraph 1.8, and if as a consequence of such representations, she believes it appropriate, to seek relevant changes to the proposed regeneration of Dollis Valley.**

**1.9 Subject to undertaking the actions required under paragraphs 1.8 and 1.9 delegate authority to the Interim Director for Planning, Environment and Regeneration to apply for the Secretary of State's approval for the proposed regeneration, disposal and redevelopment of Dollis Valley for the purposes of ground 10 A in Part II of Schedule 2 of the Housing Act 1985.**

## **2. RELEVANT PREVIOUS DECISIONS**

**2.1 Cabinet, 1 December 2003 (Decision 9) – approved the Council entering into further negotiations with the previous partner for the regeneration of Dollis Valley Housing Estate in order to consider possible amendments to the two schemes under consideration.**

- 2.2 Cabinet, 27 September 2004 (Decision 13) – approved that the previous partner redevelop the estate excluding the houses.
- 2.3 Cabinet, 22 November 2004 (Decision 8) – approved the Council's development, regeneration and planning strategy the Three Strands Approach to Protect, Enhance and Grow Barnet as a "successful city suburb".
- 2.4 Cabinet Resources Committee, 16 December 2004 (Decision 4) – approved the entering into the proposed underwriting agreement with the previous partner.
- 2.5 Cabinet, 21 February 2005 (Decision 6) – approved the Dollis Valley Vision Statement.
- 2.6 Cabinet Resources Committee, 8 December 2009 (Decision 6) – approved the Council entering into a Competitive Dialogue Process to procure a commercial developer and Registered Social Landlord to regenerate the estate.

### **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

- 3.1 The regeneration of the Dollis Valley Estate contributes to the delivery of the Corporate Plan 2011-2013 priority of a 'successful London Suburb' and its Sustainable Community Strategy. Strategic objectives under the above include to deliver sustainable housing growth, to support strong and cohesive communities and to ensure residents continue to feel that Barnet is a place where people from different communities get on together including through effective management of our regeneration programmes.
- 3.2 The Dollis Valley Regeneration also supports the corporate priority of 'sharing opportunities, sharing responsibilities'. The new development will offer more choice by providing a number of different housing options such as shared equity, shared ownership etc to residents and those in the wider community.
- 3.3 The Dollis Valley Vision Statement adopted by Cabinet, and issued on 21 February 2005 also outlines a vision for a high quality successful and sustainable community including well designed new homes. It sets out key principles and opportunities for regeneration on an appropriate scale, and high quality design in keeping with this sensitive location adjacent to Green Belt.

### **4. RISK MANAGEMENT ISSUES**

- 4.1 There is a risk that should the Council not give approval to Bidder C as the Council's preferred development partner and Bidder A as the reserve development partner, the Council is under an obligation to bring the current housing stock at Dollis Valley up to Decent Homes Standards, and then to maintain the estate. This represents a significant financial liability for which there is currently no provision. In the event that the regeneration did not proceed this liability will have to be met.
- 4.2 There is a risk that should the Council not give approval to Bidder C as the Council's preferred development partner and Bidder A as the reserve development partner residents of Dollis Valley may be further disillusioned and also that the Council will suffer reputational damage.

## **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 Barnet is committed to improving the quality of life and wider participation for all the economic, educational, cultural, and social and community life in the Borough. This is achieved by pursuing successful regeneration of the Borough's priority housing estates and where financially necessary to assist this by bringing sites to the market for residential use. This will benefit all sections of society and Barnet's diverse communities who are seeking housing and contribute to addressing the shortage of housing in the Borough across all tenures.

## **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

### **Finance**

- 6.1.1 Between 2005 and 2008, the Council spent approximately £304,000 on consultancy fees for updating the masterplan. Further work was required to de-risk the scheme and make it more attractive to potential private sector partners.
- 6.1.2 In 2009, the Council appointed external consultants AECOM, and CB Richard Ellis to provide due diligence support and specialist advice during the Competitive Dialogue process. Trowers and Hamblins were later appointed to provide independent legal advice. The Council spent approximately £335,800 on consultant fees on the Competitive Dialogue process from January 2010 to September 2011. Further fees are likely to be incurred for services received between October and November 2011.
- 6.1.3 Where possible the Regeneration Service has used in-house resources to minimise costs and external fees on this process. The Council's planning, highways, finance, and procurement departments have provided key input throughout this process.
- 6.1.4 The costs of procurement and related consultancies have been budgeted through the Housing Revenue Account (HRA) and the recharging of these costs will be included in any Principal Development Agreement. If these costs cannot be recovered, this will be funded from the HRA budget.
- 6.1.5 Bidders were asked to make an allowance within their business models for the recovery of historical costs. Members are referred to the Exempt Report for more details.

### **The Procurement Process**

- 6.2.1 On 18 September 2009, the Council highlighted through release of an OJEU Prior Information Notice (PIN), 2009/S 180-258286, its intention to embark on a procurement process to identify a development partner to develop a viable masterplan for the scheme.
- 6.2.2 Following Cabinet Resource Committee's decision on 9 December 2009 to enter into a Competitive Dialogue procedure a further OJEU notice was released on 19 December 2009, OJEU Competitive Dialogue Service notice, 2009/S 245-351596. The notice identified the procurement process to be undertaken together with specifying the Council's intention to seek a development partner for the scheme. Ninety one Expressions of Interest were received which facilitated the release of Pre-Qualification Questionnaires (PQQ) and a Memorandum of Information (MOI). The MOI provided detailed information on the scheme, and set out the parameters for the Competitive Dialogue in summary.

6.2.3 The Council received PQQ submissions from 10 bidders. The PQQs were evaluated in accordance with the evaluation criteria published in the OJEU notice: Company Information 5 %, Technical Resources & References 40 %, Financial Information 30 %, Health & Safety 10 %, Environmental Issues 15 % This criteria was utilised to limit number of candidates to enter the first dialogue stage.

6.2.4 Following the evaluation of the PQQ submissions, the Council identified 8 bidders for first dialogue stage (please refer to Exempt Report for bidder detail). All bidders, successful and unsuccessful, were notified of the PQQ evaluation outcome.

6.2.5 The 8 successful bidders identified were invited to participate in invitation to submit outline solutions (ISOS) on 26 May 2010. This second stage of the process allowed the Council to evaluate the potential bidders' ability and commitment to finding an innovated and viable solution to the scheme. Potential bidders were invited to develop mini proposals which covered 3 fundamental areas, (1) urban design issues, (2) commercial approach, and (3) development partnership issues.

6.2.6 The Council also re-emphasised the core principles for the scheme:

- To provide an attractive, well designed safe neighbourhood that promotes community cohesion for the benefit of residents
- To provide a mix of good quality and well designed affordable, private and intermediate housing and community facilities.
- To create a neighbourhood that is friendly and is of a human scale.
- To deliver a neighbourhood which has a focus, and a series of routes, spaces and landmarks that help to make the area easily accessible and understood.
- To maximise the development potential of the site without compromising the character of the area.

6.2.7 The Council assisted the bidders with the preparation of their submission by providing a range of information. This included Transportation and Geo-technical and Geo-environmental issues which had been produced by AECOM, an updated vision statement and topographical surveys

6.2.8 The following evaluation criteria was applied to the ISOS stage to support further limitation to the second stage of dialogue:

| <b>Invitation to Summit Outline Solutions (ISOS)</b> | <b>Overall % Weighting</b> |
|--|----------------------------|
| Urban Design Issues                                  | 35                         |
| Commercial Approach                                  | 35                         |
| Development Partnership Issues                       | 30                         |
| Total  | 100                        |

6.2.9 Information days were organised for each bidder, these provided the bidder with an opportunity to raise questions, seek clarifications and receive additional information about the scheme. These days were led by the Regeneration Service, to provide transparency to the process. Points of clarification were noted by the Council to facilitate effective release of information with responses released to the bidders.

6.2.10 One bidder withdrew from the ISOS stage. The ISOS stage concluded on 26 May 2010 with bidder submissions. The submissions were evaluated in accordance with the published ISOS criteria which identified the short-listing of 3 successful bidders, (please

refer to Exempt Report for ISOS bidder evaluation detail). All bidders, successful and unsuccessful were notified of the outcome with unsuccessful bidders offered a debrief opportunity, one bidder took up the opportunity of a meeting a second bidder received a written debrief.

6.2.11 The 3 successful bidders were invited to participate in the second dialogue stage, within this procurement process, referred to as Invitation To Participate in Dialogue (ITPD). The ITPD stage commenced on 13 October 2010 with the 3 successful bidders, Bidder A, B and C taking part in dialogue meetings which included requirements of the development partner, registered provider and the commercial delivery of project. This stage provided bidders with the opportunity to develop their understanding of the scheme and further develop their ISOS submission proposals. Bidders were provided with the Council's feedback from the earlier stages to support the refinement of their proposals. The ITPD stage included the requirement to produce financial modelling utilising a set financial model to support evaluation by the Council.

6.2.12 The Council outlined its key priorities for the delivery of the regeneration, and each bidder was required to demonstrate the following points in their submissions:

- (1) Deliverability – Commencing the project within reasonable time following the finalisation of the legal agreements.
- (2) Barnet Hill Primary School Land Receipt – Exploring the timing for releasing the capital receipt.
- (3) Public Realm - That a high quality public realm will be provided which will connect the current estate to its surroundings including the green belt countryside to the south.
- (4) Urban Design and Architecture - That a high quality of design and materials can be achieved for the new development which will be appropriate to the site's suburban setting.

6.2.13 The following evaluation criteria was applied to the ITPD and IFT stage:

| Invitation to Participate in Dialogue (ITPD)  | Overall % Weighting |
|---|---------------------|
| Quality   | 40                  |
| <ul style="list-style-type: none"> <li>- Development mix (2.40%)</li> <li>- Urban Design (8.00%)</li> <li>- Transport (7.20%)</li> <li>- Building Design (6.40%)</li> <li>- Affordable Housing (2.40%)</li> <li>- Community Provision (3.20%)</li> <li>- Environment (1.60%)</li> <li>- Decanting (6.40%)</li> <li>- Estate Management (2.40%)</li> </ul> |                     |
| Commercial  | 55                  |
| Legal   | 5                   |
| Total   | 100                 |

6.2.13 During the ITPD stage prior to entering into the commercial dialogue meetings Bidder B formerly withdrew from the process. This left two bidders in the competition, Bidder A

and Bidder C, which ensured competition was still present and able to continue as there was sufficient evidence of competition to not invalidate the process.

6.2.14 ITPD submission deadline was 1 April 2011. The submissions were then evaluated which resulted in the Council arranging further clarification dialogue meetings prior to confirmation of close of dialogue. Close of dialogue was confirmed on 13 June 2011.

6.2.15 The close of dialogue was immediately followed by Invitation to Final Tender (IFT) on 13 June 2011. The IFT submission deadline being 12 noon, 24 June 2011. The period between IFT submission and this recommendation report has enabled evaluation of the bid submissions received.

6.2.16 The key terms of the bidders proposals (Bidder A and Bidder C) are outlined in Appendix 3.

## **Property**

6.3 The land required to deliver the regeneration of Dollis Valley and which is within the Council's ownership is to be transferred in accordance with the terms which are set out in the Exempt Report.

## **7 LEGAL ISSUES**

7.1 The Council's promotion of the development and regeneration of Dollis Valley includes the promotion and/or improvement of the social and environmental well-being of the Dollis Valley area for the benefit of its residents. The Dollis Valley Vision Statement which was adopted by Cabinet and issued on 21 February 2005 considered that the estate had been in decline for a number of years. It acknowledged consultation with residents and stakeholders which identified that the area was isolated from the surrounding neighbourhood with a poor quality built environment, poor transport links, single vehicle access, low quality built environment, low quality local retail premises, social exclusion, economic deprivation, low educational achievement and attainment and a fear of crime. The proposed arrangements will result in the provision of between 523 and 1000 new homes, a community facility for use by local people and others, the creation of a neighbourhood with a high quality design, public realm and estate management and transport improvements amongst other benefits which will all result in the promotion and/ or of the social and environmental well being of the area.

7.2 The Council in determining its decision in this matter has had regard to its sustainable community strategy as required by section 2(3) of the Local Government Act 2000.

7.3 The Council accordingly has power to enter into the proposed Agreement for the regeneration of Dollis Valley and any other related agreement by virtue of its 'well-being power' as more particularly set out in Section 2 of the Local Government Act 2000.

7.4 The Localism Bill is being considered by parliament and is expected to become law before the end of 2011. The bill will repeal the 'well-being' power in England and provide a power of general competence for local authorities (Chapter 1). The intention is to provide local authorities with a broad power to do anything that individuals may do subject to any specific restrictions on local authorities contained in legislation. Officers will continue to monitor the situation and take legal advice as necessary, in order to ensure that that the Agreement for the Regeneration of Dollis Valley is executed under the appropriate statutory power, at the time of execution..

- 7.5 The Council has the power to dispose of land held for housing purposes under Section 32 of the Housing Act 1985. Further the Council has the power to dispose of land which is not held for housing purposes under Section 123 of the Local Government Act 1972. It should be noted that an option to dispose is also a disposal for the purposes of these Acts.
- 7.6 The Secretary of State has set out general disposal consents for both housing and non-housing land. If the terms of the disposal of land at Dollis Valley complies with the relevant general consents there would be no legal reason to seek a specific consent from the Secretary of State. However, there may still be commercial reasons for making a written request for his consent.
- 7.7 Consent E3.1 of the General Housing Consents 2005 permits the Council to dispose of vacant/unoccupied homes and housing land provided that: any existing homes will no longer be used for housing accommodation; that such homes will be demolished and the Council must obtain the best consideration for the land that could reasonably be obtained. The Agreement for the regeneration of Dollis Valley ensures that only vacant land and buildings are transferred to the development partner and the partner is required to demolish existing homes. These provisions comply with Consent E3 requirements. In order to fully comply and rely on this consent the Council will have to achieve and evidence that it has obtained the best consideration that could reasonably be obtained.
- 7.8 Section 123 of the Local Government Act 1972 permits the Council to dispose of (most types of non-housing) land without the Secretary of State's consent providing that this is done for not less than the best consideration that could reasonably be obtained. If this is to be relied on the Council will have to achieve and evidence this.
- 7.9 The General Consent (Circular 06/03: The Local Government Act 1972 general disposal consent (England) 2003) gives the Secretary of State's consent to the disposal of (most types of non-housing) land where the consideration received is less than the best which could be reasonably obtained providing that the 'undervalue' is £2 million or less and that the disposal is likely to contribute to the social, economic or environmental well-being of residents and/or the local authority's area. The latter condition which is similar to the 'well-being' power in section 2 of the Local Government Act 2000 (as set out above) will be met and therefore to rely on this consent the Council will have to evidence that any undervalue in the disposal is £ 2 million or less.
- 7.10 Notwithstanding the above, many developers request that local authorities make specific applications to the Secretary of State for his consent in order to remove any uncertainty about a local authority's ability to transfer land. In any event, the Council will have to obtain the specific consent of the Secretary of state, where required.
- 7.11 If an application for specific consent to dispose of housing land is made to the Secretary of State then the full Council must authorise such an application under Article 4.02(b) of the Council's constitution and paragraph 4(5) of the Local Authorities (Functions and Responsibilities) Regulations 2000 (as amended).
- 7.12 The Council may require consent from the Secretary of State for Communities and Local Government under Section 25 of the Local Government Act 1988. This consent from the Secretary of State is required under Section 24 of that Act where a local authority is providing financial assistance for the purpose of amongst other things the construction of accommodation which is intended to be privately let as housing accommodation. This includes affordable homes let by registered providers.

- 7.13 On 18 July 2007 the Council received confirmation from the Department for Children, Schools and Families that the Council has a general consent under paragraph 8 of the Schedule to the School Playing Fields General Disposal and Change of Use Consent (No. 3) 2004 for the change of use and disposal of the playing fields of the former Barnet Hill Primary School . It should be noted that in the same letter from the Department for Children, Schools and Families the Department instructed the Council to consider and satisfy itself that it has class consent for the disposal under schedule 35A of the Education Act 1996 and to provide details to the Department's academies division. .
- 7.14 The Agreement for the Regeneration of Dollis Valley has been drafted to enable the Council to obtain the Secretaries' of State consent following execution/signature of that agreement as a condition precedent.
- 7.15 Though the Council anticipates the willing co-operation of tenants living in Dollis Valley it may need to rely upon Ground 10A of Schedule 2 of the Housing Act 1985 (Ground 10A) to obtain possession of existing homes in order to enable the regeneration to proceed. Ground 10A permits a local authority to obtain possession orders to enable a redevelopment to proceed which has been approved by the Secretary of State in accordance with Part V of Schedule 2 (**Part V**) of the Housing Act 1985.
- 7.16 The Secretary of State will only provide his approval under Part V where the local authority serves written notice on the affected secure tenants stating:
- (a) the main features of the scheme;
  - (b) that the local authority intends to apply to the Secretary of State for his approval of the scheme;
  - (c) the legal effect of such approval in particular the ability of the local authority to rely on Ground 10A in possession proceedings.
- 7.17 Part V requires a local authority to allow the secure tenants to make representations to it about the proposal. The period for consultation must be no less than 28 days from the date of the notice provided to tenants.
- 7.18 Prior to making the application to the Secretary of State the local authority must consider the representations made to it by the secure tenants.
- 7.19 It was not possible to commence Part V consultation before the Council had selected a preferred development partner with a preferred scheme. To date it is understood that officers have conducted consultation with the Dollis Valley Regeneration Association and at an open day where residents were able to view the proposals from both of the final two bidders.
- 7.20 The key legal terms of the proposed arrangements with the preferred bidder or the reserve bidder are set out in the accompanying Exempt Report.

## **8. CONSTITUTIONAL POWERS**

- 8.1 Constitution, Part 3, Responsibility for Functions – paragraph 3.6 states the functions delegated to the Cabinet Resources Committee including all matters related to buildings owned, rented or proposed to be acquired or disposed of by the Council.

## **9. BACKGROUND INFORMATION**

### **Regeneration Progress**

- 9.1 The Dollis Valley estate was constructed in the late 1960s and 1970s and is located south of Chipping Barnet in the Underhill ward. The estate has been in decline for many years, and this can be attributed to many factors. These factors include the poor quality design, poor transport links and the isolation of the estate from the surrounding neighbourhood.
- 9.2 The Dollis Valley estate required major improvements and the Council had limited resources to tackle these problems. Regeneration was seen as a solution to address these problems. Through this vehicle, the Council could obtain investments and improvements for the estate and the surrounding areas. The regeneration of the Dollis Valley Estate provides a perfect opportunity to build high quality sustainable homes, and create a vibrant place where residents would want to live.
- 9.3 In 2003, the Council undertook a competitive process in consultation with residents to select partners for the scheme. The outcome of this process was that the Council selected Home Group (formerly Warden Housing Association) as preferred partners.
- 9.4 In 2005, Home Group produced a masterplan to regenerate the estate which was subsequently revised.
- 9.5 However, the viability of this plan was an ongoing issue. The masterplan was produced during the onset of recession in 2008, and the financial viability was further exacerbated by the decline in the housing market. Ultimately, these factors have led to major delays in the scheme.
- 9.6 The re-development of Dollis Valley Estate remained as identified in 2003 a high priority, and it was recognised that an innovative approach would need to be sought to deliver this scheme.
- 9.7 This Report has been prepared to update members on the result of the Competitive Dialogue process to procure a Development Partner.
- 9.8 Commercial Services, Corporate Procurement Team, were engaged to provide guidance and support to the Regeneration Team in the delivery of a competitive dialogue procedure which had been identified as appropriate to the delivery of Dollis Valley Regeneration.
- 9.9 The competitive dialogue process imposes confidentiality between bid proposals which has minimised the level of resident involvement during the procurement exercise. However, representatives of residents, members of the Dollis Valley Regeneration Association have been briefed during various stages of the process.
- 9.10 To facilitate moving forward from the procurement exercise through pre-planning to planning process it was identified that there was an opportunity to further raise resident awareness of the scheme at the Valley Centre's 20<sup>th</sup> anniversary event on 25 June 2011. The IFT submission deadline was set to facilitate bidder blind presentations to be displayed at the event. Bidders had been informed of this anniversary during the ITPD dialogue phase and had welcomed the opportunity for raising resident awareness of the scheme.

- 9.11 Bidders were requested to submit 3 large (non bidder specific) boards incorporating: masterplan; property types; street scene; community facilities; open spaces; housing association offer; summary of properties and a list of 5 questions for secure tenants and leaseholders that bidder clarifications had highlighted.
- 9.12 At the Valley Centre anniversary event residents were provided with the opportunity to view display boards which were non bidder specific. Council officers from the Regeneration Team attended the event and were able to collate resident feedback and identify points for further consultation. This exercise was part of the consultation process with residents and did not form part of the procurement evaluation process.

## **10. LIST OF BACKGROUND PAPERS**

- 10.1 The background papers relevant to this report are as follows;
- The Invitation to Submit Outline Solutions (ISOS)
  - The Invitation to Participate in Dialogue (ITPD)
  - The letter from the Department of Children Schools and Families of 18 July 2007
- 10.2 Any persons wishing to inspect the background papers should contact Angela Latty on 020 8359 7188.

Legal – MM/TE  
CFO – MC/JH



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**SCHEME:**

DOLLIS VALLEY ESTATE

**TITLE:**

SITE BOUNDARY

Craig Cooper,  
Commercial Director.

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Tel: 020 8359 2000

**BARNET**  
LONDON BOROUGH  
VALUATION SECTION

**DRAWING No.**

23577/2a

02.02.10

Scales

1:2500

Initiated by AL  
Drawn by CB  
Checked by AL  
Date



## Dollis Valley Regeneration (Contract ref: 50257) Dialogue Evaluation Criteria Summary Matrix

|  | Maximum %<br>Score | Bidder A<br>% score | Bidder B | Maximum %<br>Score | Bidder C<br>% score |
|--|--------------------|---------------------|----------|--------------------|---------------------|
| <b>Quality</b>   |                    | <b>40%</b>          |          |                    |                     |
| <b>Design</b>  |                    |                     |          |                    |                     |
| <b>1. Development Mix 2.4%</b>   |                    |                     |          |                    |                     |
| (a) Number of houses (and %)   | 0.80%              | 0.48                |          | 0.80%              | 0.56                |
| (b) Number of family homes (and %)   | 0.80%              | 0.56                |          | 0.80%              | 0.56                |
| (c) Innovative units types offering greater choice to purchasers (range)   | 0.80%              | 0.56                |          | 0.80%              | 0.64                |
|  | 2.40%              | 1.60                |          | 2.40%              | 1.76                |
| <b>2. Urban Design 8%</b>  |                    |                     |          |                    |                     |
| (a) Does the scale fit the suburban setting?   | 0.80%              | 0.56                |          | 0.80%              | 0.56                |
| (b) Does it have an individual but fitting character which relates to the successful suburb of Chipping Barnet?  | 0.80%              | 0.56                |          | 0.80%              | 0.64                |
| (c) Do the proposed street patterns create a well-structured layout which fits in with enhance the existing setting?   | 0.80%              | 0.56                |          | 0.80%              | 0.64                |
| (d) Does the street layout make it easy to find your way around?   | 0.80%              | 0.64                |          | 0.80%              | 0.72                |
| (e) Does the scheme design make positive use of topology, landscape and aspect?  | 0.80%              | 0.64                |          | 0.80%              | 0.64                |
| (f) Does the public realm encourage active streetlife?   | 0.80%              | 0.64                |          | 0.80%              | 0.64                |
| (g) Does the provision of green and open spaces in or near the development consider the needs of both children and adults?   | 0.80%              | 0.64                |          | 0.80%              | 0.64                |
| (h) Does the road layout and car parking support the urban design objectives of the building layout?   | 0.80%              | 0.64                |          | 0.80%              | 0.64                |
| (i) Are streets, car parks and spaces overlooked to improve security?  | 0.80%              | 0.48                |          | 0.80%              | 0.48                |
| (j) Do the proposed pedestrian and cycles route connect to the surrounding area.   | 0.80%              | 0.56                |          | 0.80%              | 0.56                |
|  | 8.00%              | 5.92                |          | 8.00%              | 6.16                |
| <b>3. Transport 7.2%</b>   |                    |                     |          |                    |                     |
| (a) Extent of proposals, including for the highway layout as well as those for behavioural change and sustainable transport choices (including specifying which roads will be adopted)     | 0.655%             | 0.262               |          | 0.655%             | 0.459               |
| (b) Effectiveness of mode share and enforceability of travel related targets   | 0.655%             | 0.459               |          | 0.655%             | 0.459               |
| (c) Proposed Financial regime and mitigation package (s106 / s278) for delivering the Transport Strategy   | 0.655%             | 0.524               |          | 0.655%             | 0.524               |
| (d) Quantification and understanding of transport impacts, proposed mitigation incorporated into the scheme proposals, to include highways, cyclists and pedestrians (see below for buses) | 0.655%             | 0.459               |          | 0.655%             | 0.459               |
| (e) Public Transport accessibility improvements - Estate access points (quantity and location) and route(s)  | 0.655%             | 0.459               |          | 0.655%             | 0.393               |

|  |        |       |  |        |       |
|--|--------|-------|--|--------|-------|
| (f) Public Transport accessibility improvements - Bus Turning facilities (either dedicated turning circle or via the road layout)  | 0.655% | 0.524 |  | 0.655% | 0.524 |
| (g) Public Transport accessibility improvements - Provision of Bus Standing facilities (1 needed with provision for 2 more) and driver facilities (access to toilet facilities), including urban design considerations | 0.655% | 0.459 |  | 0.655% | 0.459 |
| (h) Neighbourhood bus stops (including type and appearance) and Public Transport Catchment (PTAL Accessibility Index * number of people within a 250 metre walk distance of a bus stop)                                | 0.655% | 0.524 |  | 0.655% | 0.524 |
| (i) Is the car parking well integrated to support the urban design and appropriate to the streetscape and building design?   | 0.655% | 0.328 |  | 0.655% | 0.459 |
| (j) Are there sufficient car parking places to support the proposed new neighbourhood?   | 0.655% | 0.262 |  | 0.655% | 0.459 |
| (k) What provision is made for affordable car parking for affordable units?  | 0.655% | 0.459 |  | 0.655% | 0.459 |
|  | 7.20%  | 4.716 |  | 7.20%  | 5.175 |
| <b>4. Building Design 6.4%</b>   |        |       |  |        |       |
| (a) Are the materials proposed correct for the location?   | 0.80%  | 0.48  |  | 0.80%  | 0.56  |
| (b) Have the buildings been designed to suit the location and urban design aspirations?  | 0.80%  | 0.56  |  | 0.80%  | 0.72  |
| (c) Are unit typologies in keeping the projected social mix?   | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (d) What space standards have been adopted? (London Plan min)  | 0.80%  | 0.32  |  | 0.80%  | 0.72  |
| (e) Is the scheme designed to Lifetime Homes standards?  | 0.80%  | 0.56  |  | 0.80%  | 0.56  |
| (f) How many units are capable of adaptation for wheelchair users (10% minimum requirement)?   | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (g) Is the scheme designed to meet Secure by Design?   | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (h) What measures have been included to improve standards of building quality for purchasers/residents and/or to improve build rates?  | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
|  | 6.40%  | 3.84  |  | 6.40%  | 4.48  |
| <b>Community &amp; Other Benefits</b>  |        |       |  |        |       |
| <b>5. Affordable Housing 2.4%</b>  |        |       |  |        |       |
| (a) Does the tenure mix for social rented housing reflect the needs of the community as reflected in the current mix and previous housing needs survey?  | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (b) Number of intermediate homes   | 0.80%  | 0.16  |  | 0.80%  | 0.16  |
| (c) Types and range of intermediate affordable units (NB to advise)  | 0.80%  | 0.56  |  | 0.80%  | 0.72  |
|  | 2.40%  | 1.20  |  | 2.40%  | 1.36  |
| <b>6. Community Provision 3.2%</b>   |        |       |  |        |       |
| (a) Have community facilities been rationalised and re-provided in such a way as to be capable of successful and independent operation?  | 0.80%  | 0.64  |  | 0.80%  | 0.48  |
| (b) Has the nursery provision in the area been enhanced and will it be independent of the Council?   | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (c) Will the nursery provision provided allow for the retention or expansion of existing services?   | 0.80%  | 0.48  |  | 0.80%  | 0.48  |
| (d) Has sustainable retail provision been provided to serve the new and wider community?   | 0.80%  | 0.40  |  | 0.80%  | 0.40  |
|  | 3.20%  | 2.00  |  | 3.20%  | 1.84  |

**7. Environment 1.6%**

|   |
|---|
| (a) What Code for Sustainable Homes level is being achieved (min. level 4)?       |
| (b) Other features to minimise environmental impact in particular                 |
| i. Reduction in loading from new development on existing sewers and water courses |
| ii. Reduction in water use  |
| iii. Reduction in energy use  |
| iv. Reduction in embodied energy  |
| v. Use of recycled materials  |

|       |      |  |       |      |
|-------|------|--|-------|------|
| 0.80% | 0.48 |  | 0.80% | 0.48 |
| 0.80% | 0.56 |  | 0.80% | 0.56 |
|       |      |  |       |      |
|       |      |  |       |      |
|       |      |  |       |      |
|       |      |  |       |      |
| 1.60% | 1.04 |  | 1.60% | 1.04 |

**Management**

**8. Decanting 6.4%**

|   |
|---|
| (a) Will developer take responsibility for managing the decant process?                                       |
| (b) What is the developer's experience/track record on managing similar processes.                            |
| (c) Will the developer request a CPO?   |
| (d) Will the developer take responsibility for managing the process?  |
| (e) Will the Council be indemnified for its costs?  |
| (f) Are there proposals for active neighbourhood involvement and taking responsibility for the neighbourhood? |
| (g) Is the potential of local people to be brought to bear to ensure the success of the neighbourhood?        |
| (h) Will the developer engage regularly with the community from their appointment as preferred bidder.        |

|       |      |  |       |      |
|-------|------|--|-------|------|
| 0.80% | 0.64 |  | 0.80% | 0.64 |
| 0.80% | 0.72 |  | 0.80% | 0.72 |
| 0.80% | 0.64 |  | 0.80% | 0.64 |
|       |      |  |       |      |
| 0.80% | 0.64 |  | 0.80% | 0.64 |
| 0.80% | 0.64 |  | 0.80% | 0.64 |
|       |      |  |       |      |
| 0.80% | 0.64 |  | 0.80% | 0.72 |
|       |      |  |       |      |
| 0.80% | 0.64 |  | 0.80% | 0.72 |
| 6.40% | 5.20 |  | 6.40% | 5.44 |

**9. Estate Management 2.4%**

|   |
|---|
| (a) Will the development partners be taking responsibility for managing the open and green spaces in the development? |
| (b) Will charges for these elements be allocated equitably?   |
| (c) How will services charges be calculated and charged across units types and tenures?                               |

|       |      |  |       |      |
|-------|------|--|-------|------|
| 0.80% | 0.56 |  | 0.80% | 0.56 |
| 0.80% | 0.64 |  | 0.80% | 0.64 |
|       |      |  |       |      |
| 0.80% | 0.64 |  | 0.80% | 0.64 |
| 2.40% | 1.84 |  | 2.40% | 1.84 |

**Quality Total [40%]**

**27.35**

**29.09**

**Commercial 55%**

|  |
|--|
| (a) Return to Council (NPV)  |
| (b) Timing and Receipt for educational land (NPV)  |
| (c) How robust are the developers assumptions?   |
| (d) Assessment of risk to Council's returns  |
| (e) Is development deliverable without relying on external grant funding?  |
| (f) Is Commercial approach innovative and capable of generating further savings and income streams for the Council?        |
| (g) How quickly will the regeneration be delivered (taking into account contingency for delay due to economic conditions): |
| i) in total  |

|        |       |  |        |       |
|--------|-------|--|--------|-------|
| 5.625% | 3.375 |  | 5.625% | 4.500 |
| 5.625% | 3.375 |  | 5.625% | 4.500 |
| 5.625% | 4.500 |  | 5.625% | 3.375 |
| 5.625% | 3.375 |  | 5.625% | 2.813 |
|        |       |  |        |       |
| 5.625% | 4.500 |  | 5.625% | 4.500 |
|        |       |  |        |       |
| 5.625% | 3.938 |  | 5.625% | 3.375 |
|        |       |  |        |       |
| 5.625% | 3.375 |  | 5.625% | 3.375 |

|   |        |       |  |        |       |
|---|--------|-------|--|--------|-------|
| ii) to replace the social rented units  | -      |       |  | -      |       |
| (h) What are the outputs of additional sites outside the core site area (red line)?       | 5.625% | 3.375 |  | 5.625% | 3.938 |
| (i) Optimism Bias Assessment (Please refer to ITPD Appendix D - Optimism Bias Assessment) | 10.00% | 7.000 |  | 10.00% | 6.700 |
| <b>Commercial Total[55%]</b>  | 55.00% | 36.81 |  | 55.00% | 37.08 |

**Legal 5%**

Please provide a mark up of the Agreement(s) for the regeneration of Dollis Valley (including all schedules and appendices) identifying in full any and all amendments you require. During dialogue a table will be circulated in which the bidder will populate amendments sought (which will show each deletion and insertion), a reason for the amendment from the bidder and the Council's response. The final form of this table will also be submitted with the marked up Agreement for the regeneration of Dollis Valley at the final tender submission. These will be evaluated in accordance with Legal Scoring Evaluation Criteria.

**Legal Total [5%]**

|                    |       |              |  |       |              |
|--------------------|-------|--------------|--|-------|--------------|
|                    | 5.00% | 3.50         |  | 5.00% | 3.50         |
| <b>GRAND TOTAL</b> | %     | <u>67.67</u> |  | %     | <u>69.67</u> |

## **APPENDIX 3**

### **Dollis Valley Regeneration – Competitive Dialogue**

#### **Key provisions common to both the Bidder A and Bidder C bids**

1. Parties – Both Bidder A and Bidder C include both a developer and a registered provider (RP) as parties to the Agreement. The RP will be the owner and landlord of the new affordable rented and intermediate homes.
2. Phasing – both bidders propose to carry out the regeneration on a phased basis comprising 5 phases, each comprising affordable and private sale homes. Once the new homes in a phase are completed, existing secure tenants will transfer into these homes before the vacated buildings are demolished as part of the next phase
3. New Homes – both bidders are required to provide a minimum of 230 affordable rented homes to replace existing Council-owned homes. A minimum 50% homes are to be for private sale. A minimum 50% are to be family housing.
4. Community Facilities – both bidders are required to provide a community facility for use by local people and others.
5. Regeneration Objectives – both bidders commit to achieving a deliverable scheme, creating a neighbourhood with a high quality of design, public realm and estate management, with transport improvements to mitigate any impact of the development.
6. Costs - The costs of the regeneration will generally be the responsibility of the Bidder.
7. Planning Consent – both Bidders will be required to make a planning application for the scheme.
8. Residents – both bidders are required to keep residents informed as to the progress of the regeneration and to generally use its reasonable endeavours to co-operate with the Council in delivering the regeneration.
9. Design – both Bidders are required to work jointly with the Council to produce design guidelines.
10. Existing Tenants - Existing secure tenants would be offered a new home in Dollis Valley by the RP on an assured tenancy which would reflect terms which the Tenant Services Authority/HCA expect registered providers to grant to their tenants. Rents charged to existing tenants must comply with the rent scheme agreed with the Council

which provides for rents to be no higher than the rents that the Council would be able to charge for a new home. This cannot be changed without the Council's agreement.

11. Existing Leaseholders – Both Bidders would be responsible for buying back properties from leaseholders on a phase by phase basis in accordance with offer terms agreed with the Council. These include a shared equity offer to resident leaseholders who wish to acquire a new home in Dollis Valley.
12. Estate Management – Both Bidders will be required to maintain an office on the site during the regeneration and to ensure that there is a joined up approach to neighbourhood and estate management with Barnet Homes who are responsible for the Council tenants until they are decanted to the new homes.
13. Resident involvement – Both Bidders are required to work with residents to create a body (the Dollis Valley Partnership) which would represent those residents and involve them in the wider development and regeneration of the Dollis Valley area.
14. Changes - It is envisaged that the complete regeneration of Dollis Valley could take up to ten years. The Council acknowledge that they may need to make changes to how the regeneration will be delivered in this period.
15. Site Safety – Both Bidders will be responsible for site safety and security during both demolition and construction works and for ensuring that no known deleterious materials are used in the construction. Both the Bidder and its main building sub-contractor are required to comply with a works procedure which governs issues such as noise, pollution and disruption during the period of the regeneration.

**Tony Westbrook**  
**London Borough of Barnet**