

AGENDA ITEM: 6

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Meeting Cabinet Resources Committee
 Date 4 April 2012
Subject Dollis Valley Regeneration Scheme
 Report of Leader of the Council
 Summary The report seeks confirmation of the Committees resolutions on the Dollis Valley Regeneration Scheme which were made at its meeting of 7 November 2011, approve the scheme site boundary plan and authorise appropriation of land.

Officer Contributors Susan Botcherby, Senior Project Manger, Strategic Planning and Regeneration
 Angela Latty, Assistant Project Manager, Strategic Planning and Regeneration
 Status (public or exempt) Public
 Wards Affected Underhill
 Key Decision
 Reason for urgency / exemption from call-in N/A
 Function of Cabinet Resources Committee
 Enclosures Appendix 1 - Dollis Valley Cabinet Resources Committee Report Decision 5.
 Appendix 2 - Drawing no 23577/2c – Dollis Valley Regeneration Boundary Map, including the opportunity sites.
 Contact for Further Information: Angela Latty, Regeneration Service (SPR) 0208 359 7188

1. RECOMMENDATIONS

- 1.1 That in exercise of its Powers under Section 1 of Chapter 1 of the Localism Act 2011 and all the other statutory powers referred to in the legal issues column of the Cabinet Report attached to this report and marked Appendix 1, the Committee reaffirms and confirms all the resolutions made under Agenda item 5 of its meeting of 11 November 2011, such that all such resolutions, to the extent applicable, are now made under the said Chapter 1 of Section 1 of Localism Act 2011.**
- 1.2 That, subject to the prior grant of the planning permission for the regeneration of the Dollis Valley Regeneration Area (“ Regeneration Area”), the appropriate Chief Officers be authorised to (1) advertise the Council’s intention of appropriating open space lands within the Regeneration Area pursuant to Section 122(2A) of Local Government Act 1972 and to report to a future meeting of the Committee if any representations are made and (2) subject to any relevant consents of the Secretary of States being obtained, to appropriate to planning purposes, the Housing, Highway, Education and any land held for any other purpose of the Council, within the Regeneration Area, prior to the disposal of such lands:**
- 1.3 That the area edged red on plan no 23577/2c attached to this report and marked Appendix 2, be approved as the Dollis Valley Regeneration Area Site (Regeneration Area Plan) and confirmed as the area to which the resolutions made under item 5 of the Committees meeting of 11 November 2012 and the recommendations in this report, apply.**

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.

- 2.7 Cabinet Resources Committee, 11 November 2011(Decision 5) – approved Countryside Properties (UK) Limited, London & Quadrant Housing Trust as the Council's preferred development partner for the regeneration of the Dollis Valley Estate.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The regeneration of the Dollis Valley contributes to the delivery of the 'successful London suburb' priority in both the Corporate Plan 2011-2013 and the –'A Sustainable Community Strategy for Barnet 2010-2020'.
- 3.2 The regeneration of the Dollis Valley estate also supports the 'A Sustainable Community Strategy for Barnet 2010–2020' through the following objectives:
1. A new relationship with citizens - the new developments will offer more choice and promote independence by providing a number of different housing options such as social rent, private sale, shared ownership and Shared Equity to residents and those in the wider community.
 2. A one public sector approach - the Council is working together with other public sector partners to ensure the delivery of the scheme.
 3. A relentless drive for efficiency - the Council is working with development partners to ensure that the schemes are delivered in the most cost effective way.
- 3.3 The re-development also complies with strategic objectives in the Council's Housing Strategy 2010- 2025, which include:
- Increasing housing supply, including family sized homes, to improve the range of housing choices and opportunities available to residents; and
 - Promoting mixed communities and maximising opportunities available for those wishing to own their home.

4. RISK MANAGEMENT ISSUES

- 4.1 The initial authorisation for the scheme was given under Section 2 of the Local Government Act 2000. Consequential amendments to the Localism Act 2011 in the form of *Localism Act 2011 (Consequential Amendments) Order 2012* includes the repeal of the "Well Being" powers created by Section 2 of the Local Government Act 2000 is billed to come into force later this year and may result in the repeal of the said Well Being power by the time the Regeneration Agreement for the scheme is agreed and executed. If the recommendation at 1.1 of this report is agreed, then, the risk of not having the appropriate power to enter into the Regeneration Agreement would no longer exist.
- 4.2 There are various consents required from the Secretary of State, prior to the appropriation of land, within the Regeneration Area and there is a risk, albeit minor, that these consents may not be granted. Discussions are ongoing between officers of the Council's Property Services Department and the Communities and Local Government Department regarding this and the Council will work with the development partners to ensure that this risk does not affect the delivery of the scheme or the scheme timetable.

- 4.3 Confirmation of the plan to which the Regeneration Area applies would remove the likelihood of challenge regarding the extent of the regeneration site and any ambiguity around the area included or excluded in the approval/authorisation for the regeneration of the Dollis Valley Regeneration Area, thereby ensuring that there are no delays as a result of any such challenges.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, and social and community life of the Borough. The Dollis Valley Regeneration Scheme will provide a mix of affordable and private sale properties. The new mixed tenure housing will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the council's Equalities Policy and supports the equality priorities outlined in Barnet's Equality Scheme.
- 5.2 It is not considered that the issues involved will give rise to any issues under the Council's Equalities policies and do not compromise the Council in meeting its statutory equalities duties.

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

Finance and Property

- 6.1 Where possible the Council will use in-house resources to minimise costs in seeking the relevant consents for the scheme. Within the draft Regeneration Agreement, provision has been made to recover the council's costs.

7. LEGAL ISSUES

- 7.1 Section 1 of Chapter 1 of the Localism Act 2011 was brought into force by the Communities and Local Government Department by means of *Localism Act 2011 (Commencement No.3) Order 2012*. This legislation provides local authorities with a broad power to do anything that individuals may do subject to any specific restrictions on local authorities contained in legislation.
- 7.2 Consequential amendments to the Localism Act 2012, in the form of *Localism Act 2011 (Consequential Amendments) Order 2012* includes the repeal of the "Well Being" powers created by Section 2 of the *Local Government Act 2000* and the current proposal is that this will be brought into force later this year.
- 7.3 The Council has the power to appropriate land which it owns from one of its functions to another, if, the said land is no longer required for the purpose for which it is held. This power is contained in Section 122 of the Local Government Act 1972. Section 2(A) of Section 122 of the Local Government Act 1972 provides that, if the land to be appropriated consists of or forms part of Open Space Land, then, the requirement to advertise the proposed appropriation for two consecutive weeks in a newspaper circulating in the area must be complied with. The Local Authority must also consider any representations or objections that it receives.

- 7.4 The legal comments in the attached report to Cabinet Resources Committee, 11 November 2011, as well as the entire content of the said report and Decisions related to it remain relevant to the recommendations that have been made in this report and should be read with it.

8. CONSTITUTIONAL POWERS (Relevant section from the Constitution, Key/Non-Key Decision)

- 8.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land buildings owned, rented or proposed to be acquired or disposed of by the Council.
- 8.2 Management of Real Estate Property and land -_Council Procedure Rules - Section of the Council's constitution deals with the Council's procedure for disposal and appropriation of land.

9. BACKGROUND INFORMATION

- 9.1 In November 2011, Countryside/London & Quadrant (L&Q) were selected as the Council's preferred development partners for the regeneration of the Dollis Valley Estate.
- 9.2 The development partners' proposals will see the re-development of the Dollis Valley Estate into a new mixed tenure development of approximately 616 new homes. The existing 436 homes on the estate will be replaced with 250 new affordable homes, which will be a mix of social rent and intermediate homes and 366 new homes for private sale, subject to planning.
- 9.3 It is envisaged that the regeneration of Dollis Valley will take approximately 8 years to be delivered in 5 phases, with the first phase being Phase 1 (formerly Phase 0). Phase 1 is located on the site of the former Barnet Hill School and this phase will provide 42 new homes for social rent and 66 homes for private sale.
- 9.4 During the procurement competitive dialogue process for the selection of a development partner, the Council identified four opportunity sites shown coloured blue on the attached plan, which bidders were asked to consider together with the Dollis Valley core regeneration area. The sites are all located on the periphery of the estate and are currently occupied on the following basis:
1. Lease to Barnet South Community Association
 2. 131-135 Mays Lane all occupied on secure tenancies
 3. Brent Place garages
 4. 81 Barnet Lane occupied on a secure tenancy.
- 9.5 Phase 1 includes 2 opportunity sites, (1) Barnet South Community Association and (2) 131 to 135 Mays Lane. The Council is undertaking Ground 10A consultation with the residents on the core area of the estate, and they are now extending this process to include the tenants on Mays Lane.

- 9.6 The other opportunity sites, 3 and 4 will not be required by the council's development partner until a later phase. Therefore, appropriate consultation will take place with the relevant occupants in due course.
- 9.7 In relation to opportunity area 4, as detailed in Appendix 2 map 23577, the Council will retain a strip of land the length of the area abutting Barnet Lane. The Developers draft Master plan indicates a vehicular turning area with no access onto Barnet Lane.
- 9.8 Subject to a confirmed planning consent, Countryside Properties\L&Q are proposing to commence work on Phase 1 of the scheme in spring 2013. Countryside/L&Q will be submitting a hybrid planning application, with outline planning for the whole scheme as well as a reserved matters application for Phase 1.
- 9.9 As part of the proposals for the delivery of the scheme , the council will be required to seek the relevant consent of the Secretary of State to transfer the land to their development partner. The proposals include obligations to extinguish third party interests by appropriating land to planning purposes under Section 236 of the Town and Country Planning Act 1990 and subsequently for land to be transferred under S.233 Town and Country Planning Act 1990. In order to achieve the said extinguishments, the Council would be required to appropriate land from its existing use to planning purposes, in accordance with S.122 Local Government Act 1972.
- 9.10 Countryside Properties\L&Q held a Dollis Valley exhibition day on 28 February 2012 for residents on the estate. Partners have been consulting with the Dollis Valley Regeneration Association, now reconstituted as the Dollis Valley Partnership Board and further consultation is planned.
- 9.11 The Council and its partners will be in a position to sign the draft Regeneration Agreement in April 2012 and in order to ensure that there is authorisation under the appropriate statutory powers at the time of execution of the contract there is a need to confirm that the various authorisations given for entering into the agreement and proceeding with the scheme are given under Section 1 of Chapter 1 of the Localism Act 2011.

10. LIST OF BACKGROUND PAPERS

- 10.1 Dollis Valley Developer Appointment CRC Report, November 2011.

APPENDIX 1

Meeting	Cabinet Resources Committee
Date	7 November 2011
Subject	Dollis Valley Regeneration Scheme
Report of	Leader of Council/Deputy Cabinet Member for Resources and Performance/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.

Officer Contributors	Tony Westbrook, Principal Project Manager Strategic Planning and Regeneration Susan Botcherby, Senior Project Manager, Strategic Planning and Regeneration Angela Latty, Assistant Project Manager, Strategic Planning and Regeneration Susan Lowe, Procurement Manager, Corporate Procurement Team, Commercial Services
Status (public or exempt)	Public with separate exempt reports
Wards affected	Underhill
Enclosures	Appendix 1 – Dollis Valley Regeneration Boundary Map Appendix 2 – Evaluation Criteria Appendix 3 – Key Provisions (Bidder A and Bidder C)
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:

Invitation to Summit Outline Solutions (ISOS)	Overall % Weighting
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
- Development mix (2.40%)	
- Urban Design (8.00%)	
- Transport (7.20%)	
- Building Design (6.40%)	
- Affordable Housing (2.40%)	
- Community Provision (3.20%)	
- Environment (1.60%)	
- Decanting (6.40%)	
- Estate Management (2.40%)	
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 and their evaluation scores are shown in Appendix 2.

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.

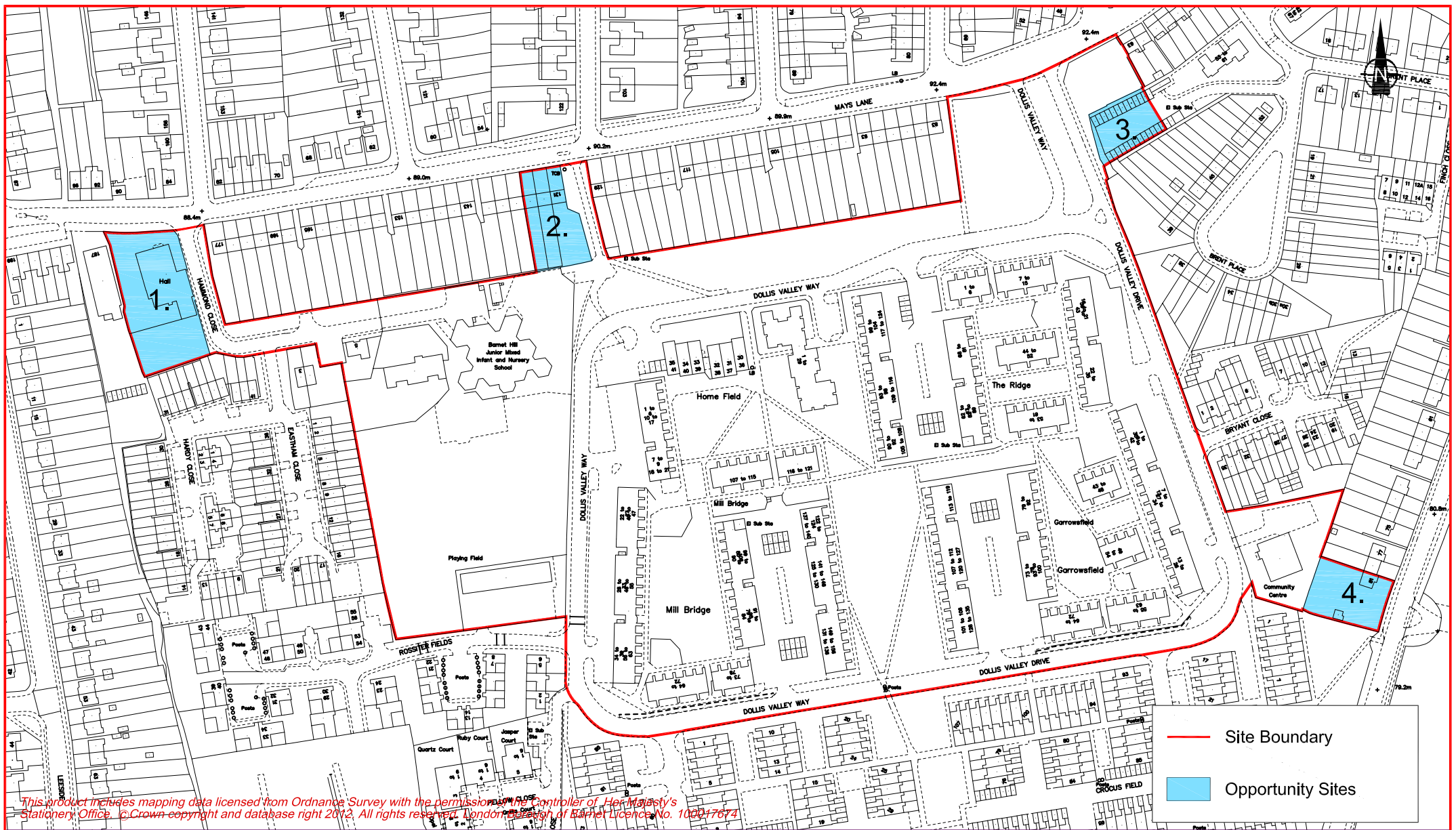
- 9.3 In 2003, the Council undertook a competitive process in consultation with residents to select partners for the scheme. The outcome of this process was that the Council selected Home Group (formerly Warden Housing Association) as preferred partners.
- 9.4 In 2005, Home Group produced a masterplan 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 20th 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.



Initiated by S.R.	SCHEME:	DOLLIS VALLEY ESTATE	Craig Cooper, Commercial Director.
Drawn by K.E.B.	TITLE:		
Checked by S.R.			London Borough of Barnet, North London Business Park, Oakleigh Road South, New Southgate, London, N11 1NP. Tel. 020 8359 2000
Date 12/03/12	Scales 1:2500		


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