

CABINET

17 November 2020

Title: Proposed Redevelopment of Brocklebank Lodge site, Becontree Avenue, Dagenham RM8 3BX	
Report of the Cabinet Member for Social Housing and Regeneration	
Open Report	For Decision
Wards Affected: Valence	Key Decision: Yes
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Accountable Director: Ed Skeates, Development Director, Be First	
Accountable Strategic Leadership Director: Graeme Cooke, Director of Inclusive Growth	
Summary	
<p>This report presents a number of proposals relating to the redevelopment of the Brocklebank Lodge site.</p> <p>The proposals will provide a total of 53 new homes for local residents. 16 of these homes will be one-bedroom units built specifically to house people with Autistic Spectrum Disorder (ASD). Providing suitable housing for this cohort of residents is a high priority that has been identified through the Housing for Vulnerable People Programme, which was endorsed by Cabinet in January 2020.</p> <p>The housing needs of some people with ASD are not easily met through existing homes, and current arrangements are both costly and sometimes must be provided out of the borough. The provision of specialist housing in-borough for people with ASD will help to address these issues and provide better support for these residents. The remaining 37 homes will be made available as B&D Reside intermediate rent homes.</p> <p>As part of this project, work has also progressed on proposals to develop a building for community use on the site. This is linked to the ongoing work on developing a model of community hubs, which will act as flexible bases for a range of Council and partner services and be inclusive and welcoming to residents. More work is required to refine these proposals; this is primarily due to the change in circumstances which has been created by the pandemic; which necessitates a need to reassess how we design and use public buildings in the safest ways. Proposals for the community space will be developed further through the next stage of detailed design work, and a business case brought forward for this part of the development.</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree the proposed redevelopment and use of the Brocklebank Lodge site as shown edged red in the plan at Appendix 1 to the report;
- (ii) Agree that, subject to the grant of planning permission and receipt of satisfactory construction tender prices, the project be financed and held within the residential asset class of the Investment and Acquisition Strategy;
- (iii) Agree the inclusion of the project in the Council's Capital Programme, subject to securing planning permission and procurement of a contractor in accordance with the project outputs and budget;
- (iv) Agree that the total development cost of £14,903,642 be funded through a combination of GLA grant funding/Right to Buy receipts and borrowing, as set out in section 3.4 of the report;
- (v) Agree that, on completion, the Autistic Spectrum Disorder (ASD) housing land be appropriated from the General Fund to the Housing Revenue Account with the necessary accounting reconciliation;
- (vi) Agree that the affordable rented housing be leased to the Special Purpose Vehicle owned by Barking & Dagenham Renew and Barking and Dagenham Reside Regeneration Ltd, which would manage and maintain the units in accordance with the funding terms in a loan agreement between the Council and the Special Purpose Vehicle;
- (vii) Delegate authority to the Chief Operating Officer, on the advice of the Procurement Board, to approve the final procurement strategy for the project works;
- (viii) Delegate authority to the Chief Operating Officer, in consultation with Director of Law and Governance and the Cabinet Members for Finance, Performance and Core Services and Regeneration and Social Housing, to negotiate terms and agree the contract documents to fully implement and effect the proposals set out in the report; and
- (ix) Authorise the Director of Law and Governance, or an authorised delegate on her behalf, to execute all the legal agreements, contracts and other documents on behalf of the Council.

Reason(s)

The proposals in this report align to the outcomes set out in the Council's Inclusive Growth strategy. In particular, the specialist housing will provide homes that will meet the needs of more vulnerable residents. The other homes will all be let at rents below market rent and let to local residents. Proposals are also being developed to provide new community space on this site, in line with the Council's emerging community hub model.

1. Introduction and Background

- 1.1 The Council, via Be First, are delivering an ambitious housing development programme. This programme will deliver thousands of new homes across the borough over the coming years. The delivery of this programme is agreed on an annual basis as part of the Be First business plan, however as this scheme is in addition to those set out in the Be First Business Plan approved in April 2020, a separate Cabinet decision is required.
- 1.2 Brocklebank Lodge is a former care home that is currently being used to provide temporary accommodation (TA), including emergency accommodation for households 'homeless on the day' and rough sleepers. This type of accommodation is being re-provided through the refurbishment of Gray's Court hospital which is due to become operational in early 2021. Grays Court will provide a more bespoke type of emergency accommodation, with space that can be used flexibly to meet different housing need. Once the new TA facility at Grays Court is opened, Brocklebank Lodge will no longer be required for this purpose, therefore enabling the site to be released for redevelopment.
- 1.3 The proposal explained in this report sets out the case to demolish the current building at Brocklebank, and replace it with 37 new affordable housing units, 16 one bedroom flats specifically designed for people with autism, together with approximately 1,495m² of new community space, including space to re-provide accommodation for Valence library and provide space for adult learning services.
- 1.4 Initial design and feasibility work has been carried out to inform the proposals, showing how the community space could be developed alongside the housing. Whilst further work is required to develop the business case for the community space element of the proposals, this is a priority for the Council, and therefore a critical part of the brief for this project.
- 1.5 The 0.52ha site is situated immediately to the north side of Becontree Avenue. A red line site plan is provided in Appendix 1. To the north within a 15-minute walking distance are two future Crossrail stations - Goodmayes and Chadwell Heath, with trains to Stratford taking just under 30mins. The surrounding area is characterised by predominantly 2 storey houses, with back gardens on Haydon Road, 2 storey terraces abutting the site boundary. There are shops to the east on Valence Avenue within a 5-minute walk and it is well located for schools and parks with a 10-minute walk.
- 1.6 The existing buildings on the site are mainly 2 storey residential accommodation with part 3 storey purpose-built community hospital. The main vehicle entrance is off Becontree Avenue, which provides access to 40 car parking spaces in the eastern part of the site. There is also access off Bennett's Castle Lane along the western edge of the site. There are a number of existing trees along the southern boundary, which are subject to Tree Preservation Orders. These trees act as a buffer to Becontree Avenue to the south.
- 1.7 The existing buildings are in increasingly poor condition and would need significant investment soon to maintain their operational use. However, due to the conversion of Grays Court Community Hospital into a TA facility, Brocklebank Lodge will no longer be required for temporary accommodation, once Grays Court becomes

operational (in Spring 2021). The site therefore provides a re-development opportunity for the Council.

1.8 Feasibility work has been undertaken to assess the redevelopment potential of the site to provide:

- New affordable general needs homes
- New affordable specialist housing for adults with Autism Spectrum Disorder (ASD)
- New community space incorporating library and adult learning space

1.9 The development of Brocklebank Lodge will optimise the use of land and maximise the long-term regeneration benefit for the local community, building on its role as an important local community facility, as well as providing new good quality housing.

2. Proposal

Options Analysis

2.1 The feasibility study assessed the development potential of the site to identify the optimal design approach in urban design and development capacity terms, responding to the client brief, design quality, and planning policy requirements.

2.2 Two options were considered:

- (1) 100% affordable housing including specialist housing for people with Autistic Spectrum Disorder (ASD), plus community space
- (2) 100% affordable housing plus community space

2.3 The study assessed a number of key design and planning issues:

- The size and location of the community space (prominence and accessibility)
- Vehicular and pedestrian access arrangements (minimising vehicular movement within the site)
- Safe private amenity space for ASD residents
- Level of car parking required for staff and residents
- Optimising density in the context of the site constraints and opportunities, including:
 - a) retention of the existing trees,
 - b) adjacent low-rise housing to the north,
 - c) the busy roads that border the site.
 - d) the open aspect to the south-west of the site, offering an opportunity to optimise density on the south-west corner
 - e) the larger scale of the buildings to the south-east, offering opportunities to increase height along the southern edge of the site facing Becontree Avenue

- f) the level of parking required to support the development in accordance with planning policy

2.4 The Brocklebank Lodge site is currently held in the General Fund. It is proposed that the specialist housing for residents with ASD are held in the Housing Revenue Account. As such, this report seeks Cabinet approval to appropriate this part of the land into the Housing Revenue Account.

Planning Policy Considerations

Principle of use

- 2.5 The existing use of the site is temporary accommodation ('sui generis' use class). The current temporary accommodation is to be re-located to a refurbished facility at Grays Court (application approved in December 2019, ref: 19/01485/FUL). Intend to Publish London Plan policy H8 resists the loss of residential accommodation, including specialist accommodation such as temporary accommodation. However, the re-location of the use to Grays Court is a significant material consideration in favour of the proposal and it is considered that, on balance, the loss of the temporary accommodation will be considered acceptable in planning terms.
- 2.6 The principle of new housing, particularly affordable housing and specialist housing is supported by national, regional, and local pro-growth policies (Intend to Publish London Plan policies H1 and H4 and local policies CM2 and BC1). In addition, this site is allocated for residential-led development within the current Local Plan and the Draft Local Plan (reference SSA SC7).
- 2.7 Providing that the ASD residents benefit from a level of daily care to support independent living, the ASD accommodation will be categorised as Class C3. This means that the Intend to Publish London Plan's minimum internal space standards and private external amenity standards will apply.

Mix of unit sizes

- 2.8 Adopted local policy CC1 requires a minimum of 40% family sized (3+ bed accommodation). The specialist nature of the ASD accommodation will be a significant material consideration when justifying the split of the proposed unit.

Affordable housing

- 2.9 A minimum 50% affordable accommodation (on a habitable room basis) will be required across the entire scheme. Intend to Publish London Plan policies H4 and H5 requires this to be split 30:30:40 between low-cost rent (London Affordable Rent, Social Rent), intermediate tenure (London Living Rent, London Shared Ownership), and borough defined respectively.
- 2.10 Affordable Rent is not one of the Mayor's preferred affordable tenures; however, Intend to Publish London Plan paragraph 4.6.2 allows for the inclusion of a broader mix of affordable housing if appropriate for viability reasons or where it would deliver a more mixed and inclusive community.

2.11 Based on local rent levels (as shown on the GLA Rent Map), it is considered that it will be possible to demonstrate that the Affordable Rent is genuinely affordable in the local context, as the level of household income required to afford the 1, 2 and bedroom affordable homes is below the £60,000 annual household income specified by the London Plan AMR (2019) as the maximum needed to comfortably afford an Affordable Rent product. This will need to be discussed and agreed with the Case Officer at pre-application stage.

2.12 The recommended option is to redevelop the site to provide the following outputs and benefits:

- 38 affordable homes (as Affordable Rent at 80% of market rent)
- 16, one bedroom ASD homes (at London Affordable Rent)
- 1,485m² of new community space (including library space and adult learning space)
- Accessible community space that is fit for purpose
- Safe and secure private amenity space for ASD residents
- A new pedestrian street with active frontages into the new homes
- Good quality public realm

2.13 This option is being recommended as it:

- Delivers the client brief, including the need for homes for people with ASD.
- Optimises the development potential of the site, responding to the site constraints.
- Provides good quality public realm, and safe, secure private amenity space for ASD residents
- Maximises affordable housing
- Will deliver operational savings for the Council by allowing a range of services to be delivered from the community space, and providing fit for purpose ASD housing within the borough, reducing the need for the Council to rent accommodation outside of the borough

Financial Summary

2.14 There are two parcels to the development. Parcel one will deliver the majority of the new homes, including the 16 units for people with autism. The second parcel comprises of the remaining affordable housing and the community space.

Parcel one

This phase will deliver the following:

41 affordable homes of which

- 25 Affordable Rent (AR) units at 80% of Market Rent,
- 16 Affordable Rent (LAR) units as Specialist housing (Autistic Spectrum Disorder)

This parcel has been assessed against the council's investment metrics and it delivers the required financial return, as summarised here:

Year 1 surplus	£97k
Operating surplus 1 st 10 years	£556k

Internal Rate of Return	5.3%
Net Present Value (5% discount rate)	£713k
Yield on Cost	4.4%

- 2.15 The proposed ASD units are estimated to save the Council around £1.1m to the Council's Care and Support budgets. These savings have been identified by Care and Support and are reflected in the Disabilities Improvement programme. The delivery of these units will therefore enable these savings.
- 2.16 The total development costs for Parcel One are estimated at £14,903,642 of which c.£2,109,268 of pre-development costs would be incurred to secure planning permission and procure the contractor, prior to works commencing on site.
- 2.17 Given the timescales for de-commissioning the existing TA facility at Brocklebank Lodge in early 2021, and the priority to deliver affordable and ASD housing, it is proposed that a planning application is submitted in March 2021, and construction works start on site in January 2022.

Parcel two

- 2.18 In the current proposal it is assumed that parcel two will deliver 1,485m² of community space and 12 Affordable Rent housing units. Initial design has been carried out on the assumption that the space delivered will be used to provide community space, based on the community hub model.
- 2.19 While it remains the aim to provide a community facility at this site, there is a need for further time to consider how best to achieve this. This is largely driven by the change in circumstances which has been created by the pandemic; which necessitates a need to reassess how we design and use public buildings in the safest ways. This will also provide the opportunity to address the viability issues that parcel two of the current proposal faces.
- 2.20 As far as possible the aim remains that these two parcels should be delivered in tandem. However, the programme has been designed to enable parcel one to progress independently of parcel two if that is required. This will mean that the delivery of the specialist housing is not delayed by the need to further develop the plans for parcel two.

3. Delivery Arrangements

- 3.1 It is proposed the scheme is delivered by Be First, who will progress the project through the planning process, and manage the delivery of the works. It is proposed that a contractor for the works is procured through the Be First construction framework. Opportunities will be explored with the contractor to deliver the scheme through modular off-site construction methods in order to speed up delivery and mitigate the impact of the construction works on nearby residents.
- 3.2 All procurement that is required to be conducted under this project will be carried out in compliance with EU and UK Legislation.

Programme

3.3 The key dates are summarised in the following table:

Milestone	Date
Planning Submission	March 2021
Contract Award	December 2021
Start on Site	January 2022
Practical Completion	September 2023

Funding

3.4 The estimated development costs for Parcel One are £14,903,642 to be funded through a combination of GLA Grant funding/Right to Buy receipts and borrowing, broken down as follows:

Grant funding (Right to Buy and GLA grant)	£5,376,000
Council borrowing	<u>£9,527,642</u>
Total	£14,903,642

4 Consultation

4.1 Ward members have been consulted following the initial design and feasibility work. Ward members were supportive of the proposals around housing, in particular the specialist housing, and the proposal to provide a high proportion of three beds within the Reside housing element. Ward members emphasised the need for some parking given the location and proposed use of the site. Ward members also emphasised the need for more clarity on the proposals around community hubs as soon as possible, including engaging with the local partner organisations.

4.2 As part of the feasibility study workshops and meetings were undertaken with the stakeholders for the proposed development. These included senior management, and senior officers within Head of Universal Lifecycle – Community Solutions, Head of Commissioning Disabilities, Principal for the adult college, Head of Housing and Asset strategy and finance to establish the projects viability, feasibility and to progress both the design brief and specification of works.

4.3 No community consultation has been undertaken at the feasibility stage. Community consultation will commence once architects have been appointed to carry-out the detailed design for this site subject to cabinet approval.

5. Financial Implications

Implications completed by: David Dickinson, Investment Fund Manager

5.1 Brocklebank Lodge is currently used as temporary accommodation (TA) but this will be re-provided through the refurbishment of the former Grays Court, which is scheduled to be completed towards the end of this financial year. Grays Court is currently expected to provide the IAS with a good income stream. The report does not outline the impact on the service of the loss of income from Brocklebank and whether the loss of income (estimated at £580k p.a.) will need to be financed by the other TA sites (Weighbridge, Wivenhoe, Margaret Bondfield and Grays Court). It is

essential that the work on Grays court is co-ordinated with the closure of Brocklebank.

5.2 The report outlines modelling from Care and Supports showing Autism Spectrum Disorder (ASD) provision could achieve annual total savings of c.£1m to the Council's Care and Support budgets.

5.3 The 25 Affordable Rent units are viable, with a tenure mix funded by right to buy receipts and rental is at 80% of market rent. The total borrowing required for the AR units is £6.8m. The ten-year returns are summarised below and it must be highlighted that the surpluses from year 9 and 10 are marginal, but still positive, and this continues until year 23, when surpluses are a little over £100k.

AR Unit Cashflows

Year		Rent (Net Voids & BD)	Maint, Man., SC	Lifecycle	Interest	MRP	Revenue Surplus / Deficit	Loan Balance Period Start
		£31,051k	-£5,951k	-£5,009k	-£6,617k	-£6,133k	£7,341k	
Dev Period		£54k	-£11k	£0k	-£230k	-	-	-£6,441k
1	24/25	£352k	-£70k	£0k	-£199k	£0k	£83k	-£6,629k
2	25/26	£363k	-£72k	£0k	-£199k	£0k	£92k	-£6,629k
3	26/27	£374k	-£73k	£0k	-£199k	-£58k	£44k	-£6,629k
4	27/28	£385k	-£75k	£0k	-£197k	-£60k	£53k	-£6,570k
5	28/29	£396k	-£76k	£0k	-£195k	-£62k	£63k	-£6,510k
6	29/30	£406k	-£78k	£0k	-£193k	-£64k	£71k	-£6,449k
7	30/31	£414k	-£79k	£0k	-£191k	-£66k	£78k	-£6,385k
8	31/32	£422k	-£81k	-£12k	-£189k	-£68k	£73k	-£6,319k
9	32/33	£431k	-£82k	-£77k	-£187k	-£70k	£14k	-£6,252k
10	33/34	£439k	-£84k	-£79k	-£185k	-£72k	£20k	-£6,182k

5.4 The 16 ASD units, which includes £2.4m of GLA grant (£150k per unit), will be funded and held in the HRA. The cashflows are positive for the first 8 years, which includes MRP. Currently it is not a requirement for the HRA to set aside MRP but it is good practice for new borrowing, if required, to have a repayment provision set aside.

ASD Unit Cashflows

Year		Rent (Net Voids & BD)	Maint, Man., SC	Lifecycle	Interest	MRP	Revenue Surplus / Deficit	Loan Balance Period Start
		£12,716k	-£3,809k	-£3,206k	-£2,568k	-£2,380k	£755k	
Dev Period		£22k	-£7k	£0k	-£91k	-	-	-£2,496k
1	24/25	£144k	-£45k	£0k	-£77k	£0k	£22k	-£2,572k
2	25/26	£149k	-£46k	£0k	-£77k	£0k	£26k	-£2,572k
3	26/27	£153k	-£47k	£0k	-£77k	-£23k	£7k	-£2,572k
4	27/28	£158k	-£48k	£0k	-£76k	-£23k	£10k	-£2,549k
5	28/29	£162k	-£49k	£0k	-£76k	-£24k	£14k	-£2,526k
6	29/30	£166k	-£50k	£0k	-£75k	-£25k	£17k	-£2,502k

7	30/31	£170k	-£51k	£0k	-£74k	-£25k	£19k	-£2,478k
8	31/32	£173k	-£52k	-£8k	-£73k	-£26k	£14k	-£2,452k
9	32/33	£176k	-£53k	-£49k	-£73k	-£27k	-£25k	-£2,426k
10	33/34	£180k	-£54k	-£50k	-£72k	-£28k	-£24k	-£2,399k

- 5.5 Overall, when the community space is included the scheme is not viable without a significant capital contribution towards its delivery.
- 5.6 As the timescales for de-commissioning the existing TA facility at Brocklebank Lodge (spring 2021), and the priority to deliver affordable and ASD housing, the report proposes that the delivery of the preferred design option is broken down into phases:
- Phase 1 comprising 25 Affordable Rent units and 16 ASD units.
 - Phase 2 comprising the community space.
- 5.7 A business case for the community element will still need to be finalised and further work is needed, in particular around CIL and FE College funding.
- 5.8 Overall the cost assumptions are prudent and include revised assumptions for Lifecycle. Work should be carried out with the Care and Support team to confirm the management and maintenance costs for the ASD units.
- 5.9 The report is looking initially to agree pre-development costs of £2.019m, which is broken down as per below, with the gateway 4 proposed to be September 2021:

Pre-Development Period Cost	Amount
Enabling Works	£607,975
Professional Fees	£1,096,497
DM Fee (Be First - Comm. Team)	£150,043
DM Fee (Be First - Dev. Team)	£112,532
Be First Planning Consultancy Fee	£38,505
Planning Application Fee	£41,372
Feasibility Costs (Be First)	£19,719
Interest	£42,626
Pre-Development Costs	£2,109,268

- 5.10 The report identifies a number of risks that could have an adverse impact on the costs, including build costs, asbestos, land title, ground conditions and rights of light. If these result in a significant increase in cost above the amount already in the models these should be updated and highlighted as part of gateway 3.
- 5.11 In terms of Revenue, an assessment of the effects on the Temporary Accommodation portfolio indicates that there will be a loss of approximately £376,000 a year of income from the loss of Brocklebank. This considers current rental charges and relevant void levels. However subject to Grays Court being commissioned on 1st April 2021 as planned, an additional income stream of £515,000 will be realised. This is assuming the same charges and void levels as Brocklebank. That gives a net benefit of approximately £139,000.

6. Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Lawyer

- 6.1 The proposal relates to the site known as Brocklebank Lodge Becontree Avenue. The site was a former Council care home and is currently being used for temporary housing accommodation which is a Council general fund activity. This activity will be terminated shortly, and an alternative site be utilised.
- 6.2 The preferred recommended option is to redevelop the site to provide affordable specialist housing for adults with Autism Spectrum Disorder housing (16 units), affordable housing (37 units), and 1,485m² of new community space.
- 6.3 The scheme utilises two parcels (1 & 2) Parcel 1 which relates to the affordable specialist housing for adults with Autism Spectrum Disorder is anticipated to deliver a saving.
- 6.4 The key legal issues will be:
- Power to carry out development
 - Planning
 - GLA guidance
 - Existing interests
 - Land remediation
 - Human Rights

Council Powers

- 6.5 The Council has power to deliver the development scheme by virtue of the general power of competence under section 1 of the Localism Act 2011, which provides the Council with the power to do anything that individuals generally may do. Section 1(5) of the Localism Act provides that the general power of competence under section 1 is not limited by the existence of any other power of the authority which (to any extent) overlaps with the general power of competence. The use of the power in section 1 of the Localism Act 2011 is, akin to the use of any other powers, subject to Wednesbury reasonableness constraints and must be used for a proper purpose.
- 6.6 Whilst the general power of competence in section 1 of the Localism Act 2011 provides sufficient power for the Council to carry out the development and enter into the relevant project documents further support is available under Section 111 of the Local Government Act 1972 which enables the Council to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any of its functions, whether or not involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
- 6.7 In exercising the power of general competence and in making any investment decisions, the Council must also have regard to the following:
- a. Compliance with the Statutory Guidance on Local Government Investments;
 - b. Fulfilling its fiduciary duty to taxpayers;
 - c. Obtaining best consideration for any disposal;

- d. Compliance with Section 24 of the Local Government Act 1988 in relation to giving financial assistance to any person (which either benefits from a general consent or requires express consent by the Secretary of State);
- e. Compliance with any other relevant considerations such as state aid and procurement;

GLA

- 6.8 As set out in the Report proposal a potential source of funding is from the GLA. The benefit with the GLA funding is that the Council will not increase its indebtedness but will be subject to the conditions of the GLA funding. The proposal is that the 16 ASD units, the cost of which will be assisted by GLA grant will be funded and held in the HRA and those homes will be appropriated from the General Fund to housing for the purposes of the Housing Act 1985 and duly accounted for.

Planning and Development Risks

- 6.9 The report explains that the development is designed to work with the movement of temporary accommodation to Grays Court and this can be a material planning consideration as will be the need for ASD accommodation. The overall master-planning of the site will be developed in consultation with the Be First planning professionals to work the proposed development to be consistent with the Local Plan and the London Plan.

Land Risks and Considerations

- 6.10 There will be the imperative to ensure that all land, development and environmental risks are identified and managed through feasibility studies to ensure the preferred development option is deliverable before significant pre-development expenditure, and mitigation strategies put in place. Potential risk arising include, but are not limited to, any third-party rights or restrictions or incumbrances which may frustrate or prevent the Council's regeneration objectives and development of the land. In terms of environmental risks, caution must be exercised to ensure any land contamination is identified and if so, any remedial action and the costs of such remediation would need to be factored into the feasibility and viability considerations. Specifically, there should be early due diligence before substantial investment and contractually committing to the project to ensuring that the site is suitable for the construction of dwellings and is without risk of historical contamination, or in the alternative that any contamination is capable of being remedied and costs are both factored into the acquisition price and do not compromise the viability of any residential development. A full environmental survey, development appraisals and sound understanding will be a necessity if the Council seek to pursue mixed use or residential development on the site.

State Aid

- 6.11 As local government is an emanation of the state, the Council must comply with European Law regarding State Aid. This means that local authorities cannot subsidise commercial undertakings or confer upon them an unfair economic advantage. This report does not identify any specific aspect of the proposed development, which is other than on a commercial basis transaction or is it seeking to subsidise, thus this arrangement satisfies the requirement it is on market terms.

Furthermore, in the event it may be needed certain grants to remediate contaminated land are excluded from the State Aid Regime.

Human Rights

- 6.12 As the scheme as described does not seek the use of compulsory purchase powers or displacement of any residents there does not appear to be critical risks associated with a Human Rights Act challenge, nevertheless, matters should be kept under review in case such considerations should arise.

Other Claims

- 6.13 There may be a prospect that the development could be subject to claims and other incumbrances such as easements and claims for same such as right to light. To a degree the effect of such incumbrances will be dependent upon the masterplan and how the sites fit in. However, as a local authority the Council can appropriate the land in question for planning purposes pursuant to s. 227 of the Town and Country Planning Act 1990. In doing so the Council can utilise the power given by s.203 of the Housing and Planning Act 2016 to override any private rights subject to compensation payments. This power would normally be exercised after planning permission had been obtained, thus there would be time to negotiate the extinguishment of incumbrances beforehand which will enable swifter resolution.

7. Other Implications

- 7.1 **Risk Management** – Risks associated with the construction of the new development will be fully scoped and managed through the construction contracts and any additional contracts to appoint design and professional services team.
- 7.2 **Contractual Issues** - The Be First Housing Contractor Framework would be used to Tender for and appoint a main contractor and all associated design consultants via a JCT contract arrangements.
- 7.3 **Staffing Issues - Project Delivery** - The delivery of the project will be undertaken by Be First for the agreed development management fee that covers all staff costs.
- 7.4 **Corporate Policy and Equality Impact** – This development will contribute to the Council Priorities of Empowering people by enabling greater independence and protect the most vulnerable and by strengthening our services for all especially for the proposed resident who will occupy the ASD housing as this will address their specific needs, will enable them to live independently, close to family and form them to be able to readily access the services that they may require.

The proposals will also enhance the priority to develop aspirational and affordable homes and shape great places and strong communities through regeneration. Whilst these sites are under construction local engagement will be undertaken to ensure that disruption to neighbouring residents is minimised and they are fully aware of the site contacts etc in case of emergency. Contractors are required to demonstrate a commitment to supporting the Council's own teams in implementation of high-quality customer care.

- 7.5 **Safeguarding Adults and Children** - Design Development undertaken on all new projects by Be First will into consideration needs of local communities with a focus on creation of accessible spaces that allow for freedom of movement and will benefit the local and wider communities including children. The development process will explore opportunities to introduce new or improve existing play facilities.
- 7.6 **Health Issues** - There is a large body of evidence that improvements to housing quality can improve health and wellbeing outcomes for its residents. The link between poor housing and ill health has long been established and this is now clearly acknowledged by central government in their vision for the future of Public Health in England.
- 7.7 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 places a responsibility on councils to consider the crime and disorder implications of any proposals. The proposals set out in this report will help make the areas safer by improving the quality of the environment, creating safer more natural surveillance for public areas and pedestrian routes. All new developments will fully meet the requirements for Secured by Design Silver.
- 7.8 **Property / Asset Issues** – Brocklebank Lodge site is within the ownership of the council. The proposal contained within this report will increase the Council's income producing asset base directly in the General Fund and within Barking and Dagenham Reside.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

- Appendix 1 – Brocklebank red line boundary