

Appendix 1

Delivery Options

Option	Proposal	Advantages	Disadvantages
DO1:	Enter into a partnership with a Housing Association (HA). Potentially encompassing new build Council, refurbished Council and HA properties.	<ul style="list-style-type: none"> • Gives the ability to provide a range of sub-market housing units. • Any social rented properties are held in perpetuity • Some local control over the design and deliverability of these units • The Council could be involved in an umbrella organisation to oversee the management of the units jointly with the HA this would ensure a consistent level of management across the development. • For Gascoigne which is being decanted and demolished in a piecemeal fashion this approach would ensure a smoother delivery of housing throughout the phased decant and demolition stages. This could also provide a method for involving the remaining community in the development plans and social regeneration of the area. • This option could if preferred deliver a scheme of up to 100% sub-market units with the ability as market picks up for tenants to staircase up into home ownership. 	<ul style="list-style-type: none"> • Control over delivery timetables and design would be shared with the HA. • HA delivery finance model would drive the process and may result in very few social rented properties. • Fees associated with setting up the JV • Time taken to establish the JV and agreed heads of terms
DO2:	Set aside land value to enter into a development agreement with a	<ul style="list-style-type: none"> • More control over development and standard of delivery • More control over number of sub-market 	<ul style="list-style-type: none"> • No receipt • Relies on long term private equity or bank funding being available to the developer to fund other sub market rented properties.

	<p>developer procured via a Developer Framework on the basis of a proportion of new homes being delivered given to the Council in lieu of land value . Also the Council offered the ability to long lease other sub market rented properties at suitable terms</p>	<p>tenure housing units provided</p> <ul style="list-style-type: none"> • Completed social homes transferred to the Council at nil cost to LBBD • Homes transferred to LBBD would strengthen the HRA balance sheet and cash flow position as no borrowing would be involved- some long term return • Ability to lease further sub – market rented homes would increase ability to re-house local people and give a limited return through managing. Also over time provision might become available to acquire stock through HRA • Could create a model similar to the BSF LEP with a lease back arrangement for a proportion of the affordable homes. • Option to apply some of the Affordable Housing Grant secured from HCA and Council borrowing within HRA settlement to acquire further social rent homes 	<ul style="list-style-type: none"> • If private sale units are proposed to cross subsidise the market values will affect the level achievable. • Risk around guaranteeing the rental stream on the sub market rent properties • Relies on use of HRA resources and Affordable homes funding to produce social rent homes
DO3:	<p>Transfer retained stock on east side of Gascoigne estate to an HA and sell cleared sites to the Housing Association</p>	<ul style="list-style-type: none"> • Transfer of risk / liability to refurbish and or redevelop existing blocks of flats (potentially £90 m to repair / refurbish) • Would potentially allow for some decanted tenants to be rehoused within the Gascoigne estate reducing the demands on Council housing stock 	<ul style="list-style-type: none"> • Delay of at least 18 months to reach tenants’ ballot • Cost to the HRA would be approaching £1m • Uncertainty that there would be interest from housing associations for a stock transfer of Gascoigne estate • Uncertainty about ballot outcome • No dowry / grant from Government to facilitate the transfer • No capital receipt from the disposal • Council would lose all control – there would be no guarantee that a transfer would result in redevelopment of the estate as Council would want.

			<ul style="list-style-type: none">• TUPE of staff to housing association• Very little control over design or deliverability of the units• No long term return on asset
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Appendix 2:

Delivery Outcomes

Delivery Objectives:	Option DO1 –Partnership with an HA	Option DO2 -Partnership with a developer	Option DO3 – Sell land to an HA and Stock Transfer remaining properties
1) maximise as a priority social rent homes and affordable homes	By working in partnership with a housing association this option could achieve at least 66% of the homes as affordable homes. In relation to the phase 1 of the Gascoigne approximately 400 homes could be provided of which at least 267 would be affordable. The degree of social rent in this would be need to be part of the negotiation and would depend on the number of intermediate units and outright sale units provided. This should be all be complete March 2015 when the grant deadline finishes	In return for foregoing a capital receipt the Council could get some “free” social rent units plus through Affordable homes funding and HRA borrowing and surpluses could acquire some units. Based on a scheme of 400 units 176 would be affordable of which 128 would be at a social rent level. These figures are more certain than the HA partnership model. This would all be complete by March 2015 when the grant deadline finishes	The stock transfer would take at least 18 months to come to fruition. If it was successful and the HA continued to pursue the estate renewal process it may be possible to build 100 units by March 2015 of which about 66 would be affordable .The degree of social rent would need to be negotiated through any planning application process
2) ensure speed and certainty of delivery	A partnership with an HA would take 6-9 months due to OJEU requirements. However following that we would expect to be on site by Summer 2013. The speed of delivery is likely to be mainly due to the pace the contractor builds and availability of affordable homes funding to the HA	Under the development framework process the Council could have a developer on board within 4 months so potentially development could start in Jan 2013. The speed of delivery will be related to speed of selling any market housing and whether the deal includes some sub market rent to lease	A stock transfer will take a minimum of 18months, If a stock transfer was successful and if the HA continued to pursue the Estate Renewal process it may be possible to be on site by March 2014. The speed of delivery will be affected by the level of affordable homes funding available.
3) maintain design,	Any partnership with a HA will seek	Through the developer	If the stock transfer is successful the

<p><i>sustainability (code level 4) quality and space standards</i></p>	<p>to maximise any grant made available, which favours high quality design and space standards. Also the Council would expect to be part of the development team to ensure the right quality of buildings are produced.</p>	<p>agreement the Council can ensure conditions are set to require the development to be of a high sustainability and quality standard. Also the Council would expect to work very closely with the developer on the development process and where the Council is receiving and acquiring properties through the construction process</p>	<p>Council will only have the ability through its planning powers to control the level of quality and design that is put forward for future development.</p>
<p><i>4) ensure local accountability and developing capacity within the community</i></p>	<p>The partnership with the Council and a HA will ensure maximum local accountability and aim to involve the community in all decisions both on the design and delivery but also the long term management and maintenance of the Gascoigne estate via the umbrella management committee.</p>	<p>As part of the development process officers would ensure that local residents were fully involved. Post the development the Council would manage the affordable housing, including the social rent and any sub-market rent.</p>	<p>If the stock transfer was successful the HA is likely to involve the local community in the both in the development process and possibly in the management process. However the Council will have little or no influence.</p>
<p><i>5) aim to create long term returns to the Council and community</i></p>	<p>As part of the procurement process we would seek to get some short term return to put into improving the remaining Council stock and the environment of the remaining Council stock .However this may impact on the number of social rented properties that could be provided We would also seek a long term fund to support economic and social regeneration of the area.</p>	<p>The long term return under this option would be that 45% of the properties remained in direct Council ownership and the proposals may include a sub market rented lease scheme which over time may result in more properties returning to the Council</p>	<p>There would be no long return to the Council under this option. The HA may establish economic and social regeneration fund to assist local residents in the area.</p>

Appendix 3

Funding Requirements

Table 1:

Funding Required To Complete Estate Renewal Boroughwide				
Project All Phases	Gascoigne 13 blocks *	Goresbrook Village 3 blocks	The Leys 19 blocks	Total
Total	£30,400,000	£5,349,000	£9,621,000	£45,370,000

*assumes some adjacent low rise demolition to create development sites and is at current cost
(Cabinet report 2 November 2010 section 2.3)

Table 2:

Estate Renewal Programme (£23m Full Funding)				
Project	Gascoigne Estate	Goresbrook Village	The Leys	Total
All phases	Grange House, Cobham House, Lexham House, Basing House + Nos 4-15, 17-22, 23-26 St Margarets	Bassett House, Dunmow House and Ingrave House	Birdbrook Close and Wellington Drive	
Dwellings	364	282	215	861
Tenants	340	275	150	765
Leaseholders	24	7	65	96
Decant Costs	£1,598,000	£1,292,500	£705,000	£3,595,500
L/H buy backs and disturbance allowance	£3,418,800	£1,307,500	£8,121,000	£12,847,300
Planning, procurement and staff costs	£455,000	£520,000	£370,000	£1,345,000
Demolition and Estate Management	£3,140,000	£2,400,000	£425,000	£5,965,000
Total	£8,611,800	£5,350,000	£9,621,000	£23,582,800

Appendix 4

Homes and Communities Agency Development Partner Panel

- Ardmore First Base Partnership
- BDW Trading Ltd (Barratt)
- Bouygues UK Ltd
- Carillion Igloo Consortium
- Countryside Properties (UK) Ltd
- Crest Nicholson Operations Ltd
- Family Mosaic Home Ownership
- Galliford Try plc
- Hadley Mace Ltd
- J B Leadbitter & Co Ltd
- Kier Ltd
- Laing O'Rourke Plc
- Lovell Partnerships Ltd
- Mi-Space
- Skanska Construction UK Ltd
- Taylor Wimpey UK Ltd
- Wates Construction Ltd

Appendix 5

Health Impact References (Section 5.6)

1. A SELECT REVIEW OF LITERATURE ON THE RELATIONSHIP BETWEEN HOUSING AND HEALTH. Scottish Government Communities Analytical Services. September 2010.
2. Housing and public health: - a review of reviews of interventions for improving health. Evidence briefing summary. December 2005. NICE.
3. TEENAGE HOUSING TENURE AND NEIGHBOURHOODS AND THE LINKS WITH ADULT OUTCOMES: EVIDENCE FROM THE 1970 COHORT STUDY. CASE report 64 January 2011 Tunstall R et. al.
4. Mixing housing tenure: is it good for social wellbeing? Doherty J et al. Draft paper.
[http://urbanrim.org.uk/cache/Mixing%20Tenure%20\(draft\).pdf](http://urbanrim.org.uk/cache/Mixing%20Tenure%20(draft).pdf)