

To: City Executive Board
Date: 18 September 2018
Report of: Regeneration and Economy Programme Director
Title of Report: Blackbird Leys Development Partner Selection

Summary and Recommendations	
Purpose of Report:	To approve the selection of a preferred development partner.
Key Decision:	Yes
Executive Board Members:	Councillor Linda Smith and Councillor Mike Rowley
Corporate Priority:	Meeting Housing Need; Strong & Active Communities
Policy Framework:	<p><i>Housing & Homelessness Strategy 2018-2021:</i></p> <ul style="list-style-type: none"> - Invest to create sustainable communities that are safe & happy & increase housing supply; and - Improve access to affordable housing. <p><i>Strong and Active Communities:</i></p> <ul style="list-style-type: none"> - Provide high quality community facilities
Recommendations : That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Approve the selection of the preferred Development Partner. 2. Delegate authority to the Regeneration and Economy Programme Director and the Head of Law and Governance, to finalise and enter into a Development Agreement with the preferred Development Partner. 3. Delegate authority to the Head of Financial Services and the Head of Law and Governance, to agree external grant funding arrangements to support this project; including the current Housing and Infrastructure Fund opportunity with Homes England. 	

Appendices	
Appendix 1	Site Ownership and Planning Policy Plans
Appendix 2	Partner Recommendation (Exempt, not for publication)
Appendix 3	Risk Register
Appendix 4	Equalities Impact Assessment

Introduction

1. On the 11th June 2015, the City Executive Board (CEB) delegated authority to the Executive Director of Housing & Regeneration to undertake a procurement process to seek a partner to masterplan and bring forward development on City Council owned sites at Blackbird Leys.
2. In this paper, the Regeneration & Economy Programme Director is now updating Members about the procurement process and sets out a recommendation to select a preferred Development Partner.

Project Summary

3. Previous feasibility work, outlined in the 2015 CEB report, highlighted the opportunity to provide improved community and retail facilities; upgrades to the public realm and the delivery of new homes.
4. At present there is no defined development scheme. The preferred Development Partner will work in partnership with the City Council and the local community to prepare a detailed implementation scheme. (See 'Community Engagement' below).
5. When a specific scheme is defined, a further report will be prepared to update CEB and outline the full details of the proposals. The subsequent report will seek CEB approval to progress to the delivery phase of the development.
6. Development at Blackbird Leys is underpinned by the Oxford City Council planning policy framework including the Core Strategy and the existing Local Plan.
7. With regards to the specific sites, the development opportunities are concentrated within two areas namely; the central area of Blackbird Leys, around the community and retail facilities and at Knights Road, between the Northfields School and Spindleberry Nature Reserve. This second site has previously been identified for housing development.
8. The development sites are identified within the City Council's Sites and Housing Plan (2013). The plan allocations include SP5 'Central Area' and SP24 'Kassam Stadium' sites. (Appendix 1: Site Ownership and Planning Policy Plans).

The Procurement Process

9. In September 2017 a notice was published by the City Council, in the Official Journal of the European Union (OJEU), seeking a development partner.
10. The City Council conducted the procurement by following the OJEU 'Competitive Dialogue' procedure and has been advised in this process by Pinsent Mason LLP for legal advice and CBRE for development advice.
11. The Council issued an Invitation to Submit Final Tenders to three bidders on 8th May 2018; with bidders' responses being received on 8th June 2018.

12. In the Final Tenders, the three bidders were asked to set out their proposed approaches towards design, estate management, planning, project management, risk management, programme, sales and marketing and community engagement. The bidders were also required to set out their financial assumptions against a notional development scheme and identify their required level of profit to bring forward a project at Blackbird Leys.
13. The tenders have been scored on a 60% Qualitative and 40% Quantitative (financial) basis.
14. The three submissions have been evaluated by our advisers, CBRE and a team of Council Officers led by the Regeneration & Economy Programme Director.
15. The recommendation to select a preferred Development Partner is outlined in Appendix 2.

Community and Stakeholder Engagement

16. From the award of the preferred Development Partner, early consultation and engagement will be important in forming a development scheme.
17. Local residents and community stakeholders will be invited to get involved further and to help shape Blackbird Leys. Existing and new community and resident groups need to be empowered and enthused to work with the preferred Development Partner and the City Council. In the first instance the groups will help to determine the best ways to engage with the community and make sure everyone is given a chance to be heard.
18. The preferred Development Partner will, in conjunction with the appropriate groups, bring forward a cohesive community engagement strategy to make sure as many people as possible are involved.
19. For anyone seeking to keep updated or get involved, in the first instance the Council has set up an email address: bbregen@oxford.gov.uk. Regular updates will be provided via the Leys News, other media and through existing and new local community groups, including the Leys Community Partnership and Blackbird Leys Parish Council.
20. It will also be important to work in partnership with other landowners in Blackbird Leys; this will ensure that new development does not come forward in an un-coordinated way. For example, The Holy Family Church on Blackbird Leys Road is preparing plans to improve and develop the church site; and Oxfordshire County Council also owns freehold sites within the central area.

Financial Implications

21. Revenue funding for the legal and commercial advice commissioned during the procurement process has to date been provided by capacity grant funding from The Ministry of Housing, Communities and Local Government.
22. With regards to the Housing Revenue Account (HRA) capital funding, at present £5,465,000 has been allocated for future development expenditure on the Blackbird Leys Estate. Specific proposals that come forward will need to relate particularly to HRA activities and demonstrate value for money.

23. A further potential source of capital is Homes England's Housing Infrastructure Fund. The Blackbird Leys regeneration project has been identified for £3,750,000 of possible grant funding.
24. This report seeks delegated authority approval for the Head of Financial Services and the Head of Law and Governance, to agree external grant funding arrangements to support this project; including the current Housing Infrastructure Fund opportunity with Homes England.
25. It must be emphasised that there will be many delivery and financial issues to consider in planning the actual development project; and there will be competing investment priorities to be taken into consideration throughout the master-planning process. When specific proposals are identified and the development project fully defined, Officers will return to the City Executive Board with the specific financial proposals and implications.

Legal Issues

26. This project will be centred on sites within the City Council's freehold ownership. Pinsent Mason LLP, the Council's external legal advisers have undertaken a review of Title and raised no critical issues to date.
27. The Council has undertaken a full OJEU procurement process using Competitive Dialogue in compliance with the Public Contract Regulations 2015.
28. A Draft Development Agreement has been negotiated during the OJEU Competitive Dialogue stage of the procurement process. This will form the legal arrangement for the preferred Development Partner and the City Council to define and manage the development project.
29. It is recommended that approval is delegated to the Regeneration & Economy Programme Director and the Head of Law and Governance to finalise the Development Agreement with the preferred Development Partner.

Health & Safety

30. The appointed Developer Partner will take on responsibility for the master-planning and then delivery, via phased building leases of any future works at Blackbird Leys. As such, under 'The CDM 2015 Regulations', the Developer will assume the role of 'Client'.
31. Although the preferred Development Partner will assume and undertake the role of 'Client', Oxford City Council will retain some responsibilities under 'The CDM 2015 Regulations'. The project Steering Group, with representation from both the preferred Development Partner and Oxford City Council will ensure that these Health & Safety requirements are met.
32. Oxford City Council's Health & Safety team have been consulted on this project and will assist the Steering Group.

Sustainability & Environmental Implications

33. Project sustainability and environmental implications and opportunities will be fully explored and assessed through the master-planning and planning application processes. These issues will be reported to CEB in a subsequent report.

Risk Register

34. A risk register is attached in Appendix 3.

Equalities Impact

35. The project will work alongside the Local Priorities set for the area and which are reflective of the estate's current needs. It will be important that social regeneration is embedded within the physical regeneration activities; meeting the current and future needs of the community.

36. The project will need to encourage and empower the community throughout the development process and ensure that engagement is inclusive to all.

37. See Appendix 4 for an Equalities Impact Assessment which is specific to the initial community engagement stage of this project.

Conclusion

38. To conclude, the approval to select a Development Partner will enable this project to start in earnest. In partnership with the City Council, the preferred Development Partner will commence the community and stakeholder engagement activities to prepare plans for future development at Blackbird Leys.

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