

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: EBURY BRIDGE ESTATE (PHASE 1) FINAL BUSINESS CASE

Notice is hereby given that Cabinet Member for Communities and Regeneration, Cabinet Member for Finance and Smart City, Cabinet Member for Communities and Regeneration, Cabinet Member for Finance and Smart City, has made the following executive decision on the above mentioned subject for the reasons set out below.

This document summarises the final business case for proceeding with the phase 1 development at Ebury Bridge Estate, decisions required and award of contract to the building contractor.

2. Recommendations

- 2.1 That Appendices 1, 2 and 4 of this report are exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.2 That Cabinet Member for Communities and Regeneration and the Cabinet Member for Finance and Smart City:
 - 2.2.1 Approved the FBC for Phase 1 of the Ebury Bridge renewal scheme as set out above and in Appendix 1 and supported by Appendix 2 and 3 of this report.
 - 2.2.2 Subject to 2.2.1 approved the appointment of Bouygues (U.K.) Limited (BYUK) as the Main Contractor to deliver the construction work on Phase 1 of the scheme, all associated spend in accordance with the terms and conditions of the contract and the completion of all necessary contractual documentation associated with this appointment.
 - 2.2.3 Subject to compliance with the minimum commercial assumptions in this report and the FBC with regards to the Phase 1 intermediate units, delegated authority to the Executive Director for Growth, Planning and Housing to approve the relevant documentation to give effect to the lawful disposal of the Phase 1 intermediate rent units to WHIL and thereafter for the Council to enter into those agreements.
 - 2.2.4 Subject to the Commercial Gateway Review Board (CGRB) endorsement and recommendation to approve from the appropriate Executive Leadership Team member, approved the appointment of Cundall Johnston & Partners LLP (CJ&P LLP), the recommended contractor as the compliance monitoring team for Phase 1 delivery at a contract value of £5,888,842.
 - 2.2.5 Approved expenditure for the compliance monitoring team for Phase 1 delivery of £1,709,918.
 - 2.2.6 Noted the current position in relation to the scheme viability for all phases of delivery.

- 2.2.7 Noted the intention to undertake soft market testing and eventual procurement of an external provider to deliver all housing and estate management services required for both Phase 1 and future phases for an initial delivery period.
- 2.2.8 Noted the intention to undertake soft market testing and eventual procurement of an external provider to deliver the energy maintenance and management services on the scheme.

3. Reasons for the Decision

- 3.1. Identified in the 2010 Housing Investment Strategy, the regeneration of the Ebury Bridge estate is a key priority for the City Council.
- 3.2. The Council is satisfied that the redevelopment of the estate will contribute towards meeting the City for All objectives, in particular the *'Vibrant Communities'* and *'Greener and Cleaner'* pillars.
- 3.3. Following the City Council's approval of Scenario 7, the full redevelopment of the existing estate, significant progress has been made in preparation for the delivery of the renewal scheme.
- 3.4. Of the 336 households originally residing on the estate, 239 households have been successfully re-housed elsewhere in the City. This has been achieved without the use of compulsory purchase powers or legal enforcement action.
- 3.5. 140 households have indicated they wish to return to the redeveloped estate and remain in regular dialogue with the project team about their move back.
- 3.6. The vacant possession of blocks across the estate has enabled land assembly work to progress at pace. This has included the demolition of 7 of the 13 existing residential blocks, ground investigations, utility diversions and initial groundworks that have prepared the Phase 1 site for redevelopment. The Phase 1 programme allows for the successful completion of all necessary Phase 1 site preparation works for the main works, piling activity, to commence in November 2021.
- 3.7. The procurement of a design and build contractor was successfully undertaken and BYUK have been working with the team under a Pre-Construction Services Agreement (PCSA) and have offered a value for money fixed price works package for the delivery of Phase 1. Construction activity, inflation, materials pricing and labour shortages are increasing the cost of construction within the market and it's important to secure the Phase 1 fixed price offered to ensure no adverse movement in the Phase 1 and overall scheme viability.
- 3.8. Following a thorough and detailed pre-planning consultation period, the scheme received unanimous planning approval in April 2021. The consent enables the construction of Phase 1 of the scheme pending completion of the unilateral undertaking and the discharge of pre-commencement conditions. The team are well advanced in agreeing the unilateral undertaking and gaining GLA approval and preparations to discharge the pre-commencement conditions are underway to ensure a timely commencement of on-site activities and delivery of the reed programme.
- 3.9. A Unilateral Undertaking has been agreed with the Local Planning Authority and has now been issued to the GLA with their approval expected in early August. Full planning approval in early August will ensure a start on site date of Phase 1

in September 2021, with main works commencing in November 2021 with practical completion in March 2024. This programme is reflected in the Phase 1 fixed price and contractual terms negotiated with BYUK.

- 3.10. The required land appropriation for Phase 1 also needs to be undertaken for the purposes of planning and the successful delivery of Phase 1. A thorough assessment of the implications of the Phase 1 and entire development have been undertaken by the team, local consultation and negotiation is underway as we have been advised and approval is now required for us to complete the formal appropriation process from a legal and financial perspective.
- 3.11. The required team is in place, to effectively client and successfully deliver the Phase 1 development, with the exception of the Compliance Monitoring Team (CMT), that will ensure that BYUK deliver the Phase 1 homes to the required design quality and safety requirements that have been specified. Subject to Gate 3 approval, the procurement of the CMT has been concluded and a preferred contractor is recommended for appointment. Further details of this procurement and the recommended award is provided in Appendix 4 of this report.
- 3.12. The FBC has been produced supporting the recommendation that the City Council takes the lead in the delivery of Phase 1 of the Ebury Bridge scheme, thereby evidencing:
- A compelling case for change;
 - Maximising value for money, including wider social, environmental and economic benefits;
 - Successful delivery by the Council and its contractors.
- 3.13. The approvals 30% of the total construction costs associated with the Ebury regeneration scheme. Importantly, it also maintains momentum of delivery on site and the delivery of 226 new high quality homes, 142 of which are affordable, and the first of the new landscaped public open spaces by 2024; setting the standard for all future phases of the development.
- 3.14. Our proposed management approach assumes a comprehensive, single management provider to deliver all housing and estate services required across all tenures within Ebury. The services that comprise the management solution on Ebury are detailed in Table 1 below. The operational cost assumptions include all required lifecycle, maintenance and management services to deliver a successful long term estate regeneration scheme on Ebury. The scope of the services will include the following and will be subject to further market engagement and a suitable procurement approach to engage a suitably qualified partner for Phase 1 and potentially future phases of the development. A breakdown of the assumed operational costs are included within the FBC attached at Appendix 1.

Table 1: Scope of Housing and Estate Management Services

Housing and Estate Service Scope		
Management & concierge Security Cleaning Mechanical & Electrical servicing	Landscaping Management of planned repairs and maintenance Cyclical works to communal areas	Community engagement Tenancy management – all tenures Income collection – all tenures Void management

3.15. Ebury performs well from a sustainability perspective due to the adoption of a ground source and air source heat pump solution to deliver all required heating and cooling requirements for the new homes. It is recognised that the energy infrastructure and energy provision across the new estate will require specialist support and this is subject to further work and recommendations in due course. The maintenance and lifecycle costs of the energy infrastructure does form part of the operational cost assumptions contained within the Phase 1 and overall scheme viability position.

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