
REPORT FOR: CABINET

Date of Meeting:	15 February 2018
Subject:	Grange Farm Estate Regeneration Update
Key Decision:	Yes
Responsible Officer:	Nick Powell, Divisional Director of Housing
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing and Employment
Exempt:	No, apart from Appendices 2 and 3 which contain exempt information under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information)
Decision subject to Call-in:	Yes
Wards affected:	Harrow on the Hill
Enclosures:	Appendix 1: Progress update against existing Cabinet approvals Appendix 2: Current financial model - Exempt Appendix 3: Risk Register - Exempt Appendix 4: Plan of Phase 1

Section 1 – Summary and Recommendations

This report provides a comprehensive update on the housing regeneration plans for the Grange Farm estate and a revised procurement strategy for the delivery of the project.

Recommendations:

Cabinet is requested to:

1. Note the progress on the Grange Farm Estate regeneration project;
2. Note the current business model and funding options set out in Appendix 2;
3. Note the approval requested in the Housing Revenue Account (HRA) budget report also on this Cabinet agenda to increase the HRA capital budget by £15,688,670 to fund the delivery of Phase 1 of Grange Farm subject to additional borrowing approval;
4. Authorise officers to bid for additional headroom borrowing approval as soon as the government has announced the bidding process;
5. Authorise officers to extend the contracts with Hawkins Brown Architects, Peter Brett Associates and Potter Raper Partnership for Phase 1 of the Grange Farm regeneration project and other professional services necessary for the successful delivery of the project, costs to be contained within the additional approved budget;
6. Delegate authority to the Corporate Director Community, following consultation with the Portfolio Holder for Housing and Employment and the Director of Finance and Director of Legal and Governance, to commence the procurement process for Phase 1 as outlined in para 2.25 and enter into a build contract provided the tendered construction costs do not exceed the estimate contained with the Grange Farm business model attached at Appendix 2 by more than 5%, and subject to planning permission and additional borrowing approval;
7. Authorise officers to carry out detailed investigation, including soft market testing, into the most appropriate joint venture or other delivery model for Phase 2 and 3 of the Grange Farm regeneration project and bring a report back to Cabinet for decision;
8. Following the authority that was given by Cabinet in May 2016 that the Director of Legal and Governance Service is given authority to commence Compulsory Purchase Order in phases starting with phase 1 shown on the plan attached at Appendix 4 and as set out in the report;
9. Delegate authority to the Corporate Director Community, following consultation with the Portfolio Holder for Housing and Employment,

together with Director of Finance and Director of Legal and Governance to accept tenders and enter into contracts, submit grant applications and bids for additional resources and enter into any related legal agreements for any matters referred to in this report and which may contribute towards the Council's housing regeneration initiatives.

Reason: (For recommendations) To enable the regeneration of the Grange Farm estate to proceed and replace the current poor quality and uneconomic homes with a mixed tenure high quality scheme including a vibrant community hub and improved access to local facilities and public transport.

Section 2 – Report

Grange Farm estate regeneration

2.1 Cabinet approved a comprehensive redevelopment of the Grange Farm estate in July 2014 as the majority of the current council homes are beyond economic repair. In order to deliver a redevelopment that makes best use of the land, responds to planning constraints and delivers comprehensive improvement to the local area. A summary of progress against each of the Cabinet resolutions to date is attached at Appendix 1.

2.2 This project contributes to the priorities set out in the Council's Regeneration Strategy and specifically it will:

- Build a Better Harrow for future generation by replacing the poor quality existing housing with well designed, high quality new homes, improved landscaping and public open space and improved community facilities;
- Increase the supply of housing and ensure the re-provision of better quality social housing;
- Make better use of council land assets to provide the above;
- Create a quality place and improve pedestrian routes to Northolt Road, South Harrow station and Waitrose supermarket;
- Contribute in maximising benefit for the local economy by creating opportunities for local apprenticeships and training schemes and building local supply chains.

Options considered

Option 1: Do Nothing – continue with the current approved procurement strategy

Option 2: Direct Delivery by the Council of the regeneration project

Option 3: Joint Venture to deliver the regeneration project

Option 4: Hybrid between option 2 and 3, with the Council directly delivering Phase 1 and entering into a Joint Venture for Phase 2 and 3

Option 5 Disposal to a Registered Provider/Developer

Planning application update

2.3 There have been significant delays on this project since October 2016 following a statutory objection by the Ministry Of Defence (MOD) to the planning application submitted in July 2016.

2.4 The planning application was submitted for 549 homes (237 rent, 312 sale) and a community centre. Phase 1 of the scheme was submitted as a full application and phase 2 as an outline application. An objection from the MOD was received on 6th October 2016 on the basis most of the proposed buildings were too high and breached various safeguarding surfaces. The maximum

building heights imposed by the MoD resulted in the loss of around 50 homes which had a significant adverse impact on scheme viability.

2.5 The council commissioned a specialist aeronautical consultant to assist in negotiations with the MOD which have been ongoing since October 2016. The MOD took some time to respond to queries and proposals. After much discussion the MOD commissioned a report to respond to the council's proposal seeking approval to a revised height restriction similar to existing buildings already in the surrounding area. The MOD's report concluded the council's proposal would not affect current flight procedures for RAF Northolt although it would breach the conical safeguarding surface. Existing building such as St Mary's church already breach this surface. However the MOD were not willing to agree any of the council's proposals and are maintaining their original height restrictions.

2.6 A decision was therefore taken to redesign the scheme so that it does not breach the conical safeguarding surface and this work has been ongoing since late summer 2017. A successful bid to the governments Estate Regeneration Fund was made to partially offset the redesign costs. The objective to maintain the same level of new homes, and specifically the same level of social housing remained. Through careful design, amendments to the planning application were submitted formally in December 2017. This has resulted in an application for 574 new homes, of which 216 are replacement social rented housing, 25 are for shared ownership and 333 for private sale.

2.7 The overall level of affordable housing is therefore 42% which is in compliance with local plan policy. There is no net loss of social housing, as required by the Mayor, when measured by floor space as whilst the number of social homes has reduced this is because we are providing some 3 and 4 bedroom family homes to meet existing household needs as well as wider community needs and which are not currently provided on the existing estate.

Procurement and delivery update and proposals

2.8 Housing Regeneration schemes are always very difficult to deliver from a financial viability perspective. The basic funding model has always been to cross subsidise the rebuilding of the social housing (including the costs in decanting and moving both existing tenants and leaseholders) by building additional homes for private sale. This is the model used to deliver both the Rayners Lane and Mill Farm regeneration projects. However both of these projects also received significant grant funding from the GLA as well as internal subsidy from the housing associations who acquired the estates. The council transferred these estates at nil value because the financial viability did not support a land receipt. An overage mechanism meant that a capital receipt was provided to the council by the housing association on the Mill Farm project when it was completed.

2.9 The initial options appraisal for Grange Farm identified a potential funding gap of up to £13m. No assumptions were made about receipt of grant as none was available at this time. Scheme viability was therefore dependent on maximising the number of overall homes via redevelopment to maximise private sale income.

2.10 It has always been the intention for the council to take forward the redevelopment of the Grange Farm estate and retain the reprovided social housing. The loss of rental income from the existing 233 council homes if they were transferred to a housing association would have a significant impact on the council's Housing Revenue Account. However due to the borrowing cap, Harrow is not on a level playing field when considering the options for direct development as compared to a housing association. Before the 1% rent reduction was imposed by central government the council had taken a decision to inject capital funding into the Grange Farm project on the basis that over the life of the business plan it would need to spend a significant amount on maintaining the poor quality existing Resiform housing on Grange Farm.

2.10 As the scheme has been taken forward a number of other cost pressures have arisen:

- Significant increases in build costs;
- The need for other land acquisition to maximise the development potential of the site;
- The cost impact of necessary design approaches to planning constraints such as retaining maximum amount of public open space, emphasis on design quality;
- Design costs relating to the MOD statutory objection

2.11 The approved procurement process was to seek a developer through an Official Journal of the European Union (OJEU) compliant tender process to deliver the social housing and community facilities at no cost to the council paid for by sale of the land part of which would be developed for private sale. The developer would take all of the risk of building the private sale homes and hence all of the profit as well as building the new social housing and community centre for the council. The council would receive overage if sales values exceeded an agreed level.

2.12 The procurement process began and shortlisted developers were invited to make bids on the basis of the July 2016 planning application. At this stage no grant was available for the affordable housing. Feedback from the developers indicated the level of affordable housing to be provided was not achievable and the proposed scheme would not be viable without additional public subsidy and value engineering.

2.13 As the scheme required redesign to mitigate the MOD statutory planning objection, the OJEU procurement process was put on hold and delivery options reviewed with a view to improving the viability of the project.

2.14 The delivery options considered were:

1. Continue with the approved process. Of the 4 tenderers, 2 had dropped out but the remaining 2 were keen for the existing procurement procedure to continue. The redesigned scheme allowed for a value engineering exercise but did not address the way

in which the affordable housing would be funded and therefore ran the risk of still being unviable. The financial modelling indicated there was still a significant funding gap to be closed. From a legal perspective too many changes to the original tender documentation could mean a new OJEU process would be required. Additionally the proposed phasing required the decanting of more than half the estate residents at the start and residents were unhappy about the impact of this whilst the decanted homes were being used as temporary accommodation;

2. Direct delivery by the council of the entire project – this option would not be possible without ability to borrow within the HRA (not available to Harrow at the time) and other public subsidy and was considered too risky for a number of reasons particularly in relation to the level of building for sale;
3. Joint Venture for the entire project – the benefit of this option to the one above is that it provides an opportunity to bring an experienced development partner on board whilst allowing for sharing of risk and profit between the JV partners. However it would take significantly more time to progress and mean further delays in starting on site. It would still require additional public subsidy;
4. Hybrid between option 2 and 3, with the Council directly delivering Phase 1 and entering into a Joint Venture for Phase 2 and 3 – The redesigned scheme allows for a smaller first phase of 86 affordable homes the majority of which are for social rent. The remaining phases would provide approximately 450 mixed tenure homes and the community facilities. The advantages of this proposal are that subject to funding, delivery of Phase 1 could commence once planning permission is granted as there would be a straightforward Design and Build procurement process via an existing OJEU compliant framework. The smaller phase requires less decanting at the start and early provision of social rent homes will assist decanting for Phase 2 and 3 meaning more residents only having to move once. The OJEU process for selecting a JV partner can take place during the construction of Phase 1. There is an array of options for a Joint Venture contract depending on the level of risk, level of capital, market conditions and viability gap in the scheme. The options can include the formation of a separate Limited Liability Partnership for the delivery of the scheme, a Development Agreement or a Development Agreement with Design and Build principles to construct the project. It is proposed the procurement process is undertaken with a degree of flexibility to enable the private sector to put options to the Council. As Phase 1 will be wholly affordable this will improve the viability of future phases as the proportion of affordable will reduce proportionately whilst still allowing a mix of tenure across the future phases.

2.15 The hybrid option is preferred as it meets all of the following objectives:

- The first phase could commence in early 2019, subject to planning, acquisition of leasehold interests and rehousing of remaining secure and temporary residents and funding;
- It means more existing residents can be rehoused at an earlier stage;

- It should improve viability by combining the experience of an experienced development partner and the assets of the council and the sharing of risks and profit.

2.16 However the preferred procurement option depends on the viability gap being met through the provision of additional public subsidy and the council being able to fund the costs of Phase 1. This is explored in the following section.

Financial Position

2.17 As referenced above, this project has always had an estimated funding gap which has varied considerably as the scheme has developed. As the model makes many assumptions for example about projected sales income and build costs, funding gaps and/or estimated profit will vary depending on the economic situation at the time.

2.18 During the last six months, considerable progress has been made in developing a scheme that is as viable as possible in design and cost terms and securing public subsidy towards the cost of development. There have been many discussions with both DCLG and the GLA who are highly supportive of the scheme. The key achievements are as follows:

1. Successful application for affordable housing grant funding from the GLA of £12.6m;
2. Design review leading in a reduction in estimated costs of the scheme detailed in the original planning application from £150m to the scheme submitted on the 1 December 2017 of £132m;
3. Successful application for Estate Regeneration Grant funding of £356k contributing to the costs of the redesign.
4. Successful application to the Housing Infrastructure Fund (HIF) for £10m.

2.19 Officers have also been lobbying government with proposals to enable Harrow to continue with its council house building programme and directly deliver Phase 1 of Grange Farm by allowing an increase in the HRA borrowing cap. The recent budget announcements are encouraging in this respect as the HRA borrowing cap is to be increased for some local authorities from 2019 subject to a bidding process.

2.20 The Grange Farm business model included in the exempt Appendix 2 has been updated with the recently updated cost plan information based on the revised planning application. At the time of the HIF bid in October 2017 the estimated funding gap was £16m. A detailed cost plan has now been developed based on the submitted planning application. The total project costs are now estimated to be c£158m and the funding gap estimated to be £11.7m. This includes the grant that has already been allocated by the GLA, for which the formal grant agreement has now been signed. With the announcement of our successful bid to the Housing Infrastructure Fund on the 1 February 2018, the estimated funding gap is now £1.7m. It is hoped this small funding gap could be managed out through the joint venture approach for Phase 2 and 3. Additionally, a further development site on Northolt Road

will become available once the new Community Centre in Phase 3 of the development is completed and this could be sold to the JV partner to cross subsidise any remaining funding gap. In January 2018, at the request of MHCLG, a bid for additional Estate Regeneration grant has also been submitted to contribute towards the cost of further design work on Phase 1 to enable the contractor selection process to commence and remaining acquisition costs.

2.21 The model has also been aligned with the HRA business plan to model the impact of the council directly delivering Phase 1 of the scheme as set out above in para 2.14 (4) through a combination of grant funding, HRA capital and additional HRA borrowing. Phase 1 is estimated to cost £22,938,900 including demolition and construction, acquisitions of leasehold properties, moving costs of remaining secure tenants and on-costs.

2.22 The total approved budget for the Grange Farm regeneration scheme is £12,262,600. Expenditure as at 18 December 2017 is:

Item	Amount
Leasehold and other acquisitions	£3,501,554
Consultant and professional fees including architect, employers agent, engineer, planning, legal, Independent Tenant Adviser	£2,291,700
Home Loss, disturbance and move payments	£609,618
Planning application costs	£102,258
Staffing, SSC's and miscellaneous	£311,115
Less government grant	£356,000
Total	£6,460,245

2.23 To proceed with the direct delivery of Phase 1 by the council will require an additional budget of £15,688,670 funded as set out in the table below.

Item	Amount
Estimated cost	£22,938,900
Already spent and approved for Phase 1	£7,250,230
Additional budget required	£15,688,670
GLA grant	£4,668,000
HIF	£5,000,000
Capital receipts	£4,532,570
Borrowing	£1,488,100
Total funding	£15,688,670

2.24 The additional budget requirements for Phase 1 have been modelled as part of the HRA budget report also on this agenda. This assumes Phase 1 is funded as set out above. The HIF funding is assumed to be made available in 2018/19 and has been apportioned across the scheme. The borrowing is assumed to be bid for from MHCLG in 2018/19 and applied from 2019/20 onwards.

Conclusions

2.25 The recommendation is therefore to proceed with the procurement of Phase 1 subject to grant of planning permission and an application for additional borrowing being successful. An approved Framework has already been identified and the process will be to undertake soft market testing with contractors prior to issuing a formal tender via the portal. This will incur additional professional fees primarily for architect services, Engineers and our Employers Agent to prepare drawings and Employers Requirements, which are budgeted for within the overall costs for Phase 1. It is proposed to continue using the existing consultants who were originally appointed through a competitive process and have demonstrated their value to the project through submission of the planning application and provision of the cost plan underpinning the business model.

2.26 For Phase 2 and 3, it is recommended that further detailed work is undertaken to determine the most appropriate form of joint venture that will ensure the delivery of the remaining replacement social housing, the proposed community centre and for sale housing in the most cost efficient way that maximises private subsidy for the scheme. This should include soft market testing with potential partners.

2.27 With the HIF funding now confirmed the proposed delivery strategy as outlined in the report can be taken forward. This will enable the council to own and manage the new affordable homes replacing the existing Grange Farm homes.

Decanting and rehousing

2.28 This regeneration scheme requires some residents to be moved away from the estate to allow the first new homes to be built as there is no vacant land to build on. Secure tenants were given the option to move voluntarily, with the right to return to a new home. These residents have been given homes which meet their current housing need, for example some moving to larger family homes and others into sheltered housing. Tenants moving as a result of the regeneration received statutory Home Loss and disturbance payments.

2.29 There are now 107 secure tenants remaining on the Grange Farm estate with 9 secure tenants remaining in the existing homes needing to be decanted for Phase 1. These residents will move either to a home in Phase 2 or off site and be offered a new home in Phase 1.

2.30 The existing homes vacated by secure tenants are being used as temporary accommodation as an alternative to Bed and Breakfast accommodation. In order to ensure vacant possession of properties in Phase 1 to allow development to commence, the temporary tenants will be served Notice to Quit. The council will support the tenants to find alternative accommodation. We aim to minimise the time that properties will be empty before development starts.

2.31 We have now acquired 13 leasehold properties on the estate through voluntary negotiation with a further 16 remaining. There are 3 leaseholders

remaining in Phase 1, and we will now be progressing the Compulsory Purchase Order already approved by Cabinet in May 2016.

Consultation and Engagement

2.32 There has been considerable consultation and engagement since 2014 primarily with secure tenants and leaseholders on the Grange Farm estate, but also with community groups adjacent to the estate and the wider community. This is documented in previous Cabinet reports and in the Statement of Community Involvement submitted as part of the planning application.

2.33 Since the last report to Cabinet there has been the following consultation and events:

- Ongoing monthly meetings with the Resident Steering Group who are supported by an Independent Tenant Adviser (ITA) funded by the Council. These meetings have enabled residents to be involved in developing the revised plans for the estate as well as agreeing the approach to the ongoing management of the estate. For example we now have monthly estate walkabouts to identify and tackle management and maintenance issues on the estate;
- Ongoing bi-annual estate fun days which provide opportunities for the community to come together as well as enable engagement on the plans with all residents;
- Monthly newsletters;
- Meetings with community groups regarding the new community centre;
- Consultation event in November 2017 for estate residents and the wider community to provide comments on the revised plans prior to submission for planning. This included models of the proposed flat layouts as well as an interactive “fly through” of the estate;
- A public exhibition on 13th January for all those consulted through the formal planning process to see the revised plans and models for the estate.

2.34 In November 2017, the council acquired the existing community centre on the estate. The Steering Group and ITA have worked really hard and have successfully secured funding to provide activities for the community including a youth group run by Ignite. The council now also has a dedicated Resident Involvement Officer working specifically with the Grange Farm estate to take forward community activities. The Council will also be using the Community Centre as a temporary estate office for 2 days per week.

Performance Issues

This scheme contributes to the council ambition to build new council houses and regenerate the Grange Farm estate. It also contributes to our London Plan target to build new homes, including affordable homes.

If the regeneration of Grange Farm does not proceed it will adversely impact on our ambition and targets as:

574 new homes will not be built, of which 241 are affordable housing; The existing homes are at the end of their economic life, are poor quality and contribute to fuel poverty.

Environmental Implications

The planning application for the Grange Farm estate places great emphasis on the importance of high quality landscaping. The landscape design has taken account of surveys of existing plant and wildlife habitats, including bat migration paths and the quality of existing mature trees. Some existing higher quality trees are to be retained and complimented with further tree planting of semi mature trees. There is limited scope for green roofs due to the location of the site beneath the RAF Northolt flight path and the potential for adding to bird strike issues.

The new homes will be built to high thermal comfort standards and there are no north facing single aspect dwellings. Heat and hot water for dwellings on the site will be provided by a central Combined Heat and Power system. This is intended to provide economies and minimise carbon emissions. This provision is largely driven by GLA policy and would offer future scope for integration into wider energy network initiatives in future years.

The energy efficiency of the individual dwellings will be to a much enhanced standard over the current provision and are designed to achieve the previous target embodied in Sustainable Homes Code 4.

Risk Management Implications

Risk included on Directorate Risk register? Yes
 Separate Risk register in place? Yes

Key risks are:

Risk	Mitigation/Progress
Planning: Ministry of Defence (MOD) maintain their statutory objection	Scheme is now designed within the height restrictions imposed by the MOD. In advance of the revised planning application there have been detailed discussions with the MOD. Our consultant has submitted a final report to the MOD confirming the new buildings do not breach any safeguarding surfaces. (Note: awaiting confirmation the MOD agree with our report.)
Planning: GLA do not agree to support the no net loss of social housing measured by floor space rather than in terms of units or	Discussions held with GLA and officers are supporting our approach to no net loss of social housing by floor space measurement.

<p>habitable rooms; 50% affordable housing insisted on as this is public land;</p>	<p>Discussions to be held with the Deputy Mayor's and Mayor. If future viability improves the amount of social housing will be increased. Phase 1 is 100% affordable, the majority being social housing to enable the decant of Phase 2.</p>
<p>GLA requires a ballot of secure residents on the estate;</p>	<p>Transitional arrangements are proposed which may not require a ballot at Grange Farm. The council has consulted and involved residents in the regeneration proposals for Grange Farm since 2014 and there is overwhelming support for comprehensive regeneration.</p>
<p>Scheme is not financially viable</p>	<p>A value engineering exercise has resulted in a significant reduction in scheme costs. HIF funding was announced for Grange Farm on the 1/2/18.. Additional HRA capital receipts identified. In discussion with MHCLG re additional borrowing which the government announced in the November budget would be available to some councils in 2019/20 Business model updated and aligned with the HRA business plan. Sensitivity testing done with +/- 5% change in projected house prices and build costs</p>
<p>Preferred procurement option is not affordable</p>	<p>There are other options to deliver the scheme although one would have significant adverse impact on the HRA.</p>
<p>Developers not interested in scheme</p>	<p>Developers have been kept informed and are still indicating interest. The scheme has been de-risked with the input of some public subsidy and other measures being pursued.</p>
<p>Achieving vacant possession of the remaining leasehold properties – 3 properties in Phase 1 still to be secured;</p>	<p>Negotiation can be accelerated once planning permission is received and the CPO process proceeds. If all negotiations fail the CPO will be progressed and the appropriate compensation paid. Although if the CPO is appealed and a Public Inquiry</p>

	becomes necessary this will delay the project.
<p>Acquisition of other land interests:</p> <ol style="list-style-type: none"> 1. Genesis properties 2. Secretary of State for Defence (and Air Cadets) 	<ol style="list-style-type: none"> 1. Genesis properties – negotiations are well progressed. Acquisition not required until Phase 3 but can be brought forward. 2. Discussions held with Secretary of State for Defence (MoD) and Air Cadets. Land owned by MoD cannot be acquired by CPO. Relocation option allowed for in revised plans. Other options being explored. Acquisition not required until Phase 3.
Not able to sell the shared ownership properties on Phase 1	Alternative option would be to convert these homes to London Living Rent (same grant allocation).

Legal Implications

Housing Regeneration schemes have a range of legal implications and previous Cabinet reports have given authority to proceed with a number of legal processes to enable the project to move forward. The current position is as follows:

1. Initial Demolition notices were served on the 29 January 2015. This allows the suspension of Right to Buy applications on the estate whilst the regeneration plans are being progressed;
2. An application was made to the Secretary of State in December 2017 for approval to use Ground 10A possession proceedings, if necessary, to ensure vacant possession of secure tenancies can be obtained to allow development to proceed. The application was made following a statutory consultation process with the secure tenants on Grange Farm;
3. The formal possession process for the non-secure tenancies in Phase 1 is about to commence.
4. Authority was granted in May 2016 to make a Compulsory Purchase Order (CPO) for the estate. This can now be progressed as the revised plans are submitted. It is proposed to commence with a CPO of Phase 1 of the development.

5. Authority was granted in September 2016 where the relevant statutory requirements are satisfied, for the chief executive in consultation with the portfolio holders to appropriate such parts as may be necessary of the land on the Grange Farm Estate now owned by the Council or later acquired, under the control of the Housing Revenue Account or held for other purposes, for planning purposes and to override third party rights and covenants in relation to such parts of the Grange Farm Estate as may be necessary. It is now necessary for officers to consider appropriations for Phase 1 of the regeneration.
6. The proposed new procurement approach for Phase 1 is relatively straightforward as by utilising an approved Framework that has already been established in compliance with The Public Contracts Regulations 2015 to procure a Design and build contract, the tender process is simplified. Further work will be required to assess the best procurement options with regard to a Joint Venture arrangement for later phases.
7. Cabinet granted authority to make bids for funding relevant to this regeneration project in July 2014 and a recommendation is added to make clear that authority has been delegated to enable the signing of any legal agreements relating to successful funding bids.

Financial Implications

The funding of Phase 1 requires additional council resource of £15,688,670 over the current approved budget, some of which can be funded from unspent capital receipts including the overage payment received from the regeneration of the Mill Farm estate. A breakdown of the proposed funding is given in paragraph 2.23 and is subject to additional borrowing being approved by DCLG. Having funded Phase 1 direct and de-risked Phase 2 and 3 through enabling vacant possession and on the basis of the assumptions in the business model, it is anticipated that land receipts/overage in later phases could offset some of the additional resource requirement.

Equalities implications / Public Sector Equality Duty

An Equalities Impact Assessment has been produced and is now being reviewed now that the planning application is submitted. However no significant changes are anticipated as the objectives are unchanged and the amount and type of affordable housing being replaced is also unchanged.

The initial assessment was based upon a Housing Needs Assessment carried out in 2014. The assessment did not identify any disproportionate impact upon any protected categories. The needs of those with physical disabilities will be specifically accommodated in the new buildings with 10% of all new rented homes being built to full wheelchair standard and remaining properties meeting Lifetimes Homes Standards. Rehousing options available to all

secure tenants includes a guarantee that they can return to the new development should they choose and as an alternative a permanent offer of rehousing should they wish to remain in their decant property. To date 138 tenants have accepted decanting. A number have had overcrowding alleviated by these decant moves, as the council has confirmed that actual housing need will be met in decanting or rehousing to the new Grange Farm development even if this exceeds what might have been offered under the current allocations policy. Older tenants have moved to sheltered housing where this was needed and requested.

All secure tenants having to move as a result of the regeneration scheme are paid a Home Loss amount set nationally (currently £6,100) and all reasonable expenses of removal are met.

A separate Health Impact Assessment has also been undertaken which will be used to track the long term impact of the regeneration scheme. To date this impact assessment has identified a number of positive benefits that should flow from the regeneration, including improvements in living environment (internal and external), economic benefits, lifestyle opportunities and community enhancement.

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow The Council's strategy to deliver its vision is set out in the Harrow Ambition Plan 2020 under three themes. Under the theme **Build a Better Harrow** the Homes for Harrow Programme, which includes the Grange Farm regeneration project, will contribute positively to the Council's vision, Ambition Plan and priorities in the following ways:

- Making a difference for the vulnerable – building a range of new affordable homes including homes for those who are most in need.
- Making a difference for communities – we are involving and engaging residents on the Grange Farm estate and from the wider community in the development of new homes, the replacement of poor housing, the re-provision of community facilities and improvements to the external environment.
- Making a difference for families – Improving the worst social housing in Harrow and building homes to meet family needs. Other benefits flowing from the regeneration programme include the creation of apprenticeships, jobs and training opportunities to help those most in need, especially the young.

Section 3 - Statutory Officer Clearance

Name: Tasleem Kazmi	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 5 February 2018		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 5 February 2018		

Ward Councillors notified:	YES
EqIA carried out:	YES
EqIA cleared by:	Dave Corby, Chair of Community DETG as per the Grange Farm Cabinet report in May 2016

Section 4 - Contact Details and Background Papers

Contact: Alison Pegg, Head of Housing Regeneration, Tel 020 8424 1933 alison.pegg@harrow.gov.uk

Background Papers:

Cabinet report 20 June 2013, Housing Business Plan 2013, consultation draft Asset Management Strategy, Proposals for a future Affordable Housing Programme, and Proposed Grants to Move scheme

<http://www.harrow.gov.uk/www2/documents/g61429/Public%20reports%20pack%20Thursday%2020-Jun-2013%2018.30%20Cabinet.pdf?T=10>

Cabinet report 10 April 2014 Affordable Housing Programme Update

<http://www.harrow.gov.uk/www2/documents/g61438/Public%20reports%20pack%20Thursday%2010-Apr-2014%2018.30%20Cabinet.pdf?T=10>

Cabinet report 17 July 2014 Homes for Harrow

<http://www.harrow.gov.uk/www2/documents/g62354/Public%20reports%20pack%20Thursday%2017-Jul-2014%2018.30%20Cabinet.pdf?T=10>

Cabinet report 15 January 2015 Grange Farm Regeneration Scheme

<http://www.harrow.gov.uk/www2/documents/g62359/Public%20reports%20pack%20Thursday%2015-Jan-2015%2018.30%20Cabinet.pdf?T=10>

Cabinet report 17th June 2015 Grange Farm Regeneration Progress Planning and Implementation

<http://modern.gov:8080/documents/g62614/Public%20reports%20pack%20Wednesday%2017-Jun-2015%2018.30%20Cabinet.pdf?T=10>

Cabinet report 24th May 2016 Grange Farm Estate land issues, including Compulsory Purchase

<http://modern.gov:8080/documents/g62624/Public%20reports%20pack%20Tuesday%2024-May-2016%2018.30%20Cabinet.pdf?T=10>

**Call-In Waived by the
Chair of Overview and
Scrutiny Committee**

NOT APPLICABLE

[Call-in applies]