

Cabinet Member Report

Decision Makers:	Cabinet Member for Climate Action Regeneration and Renters Cabinet Member for Finance and Council Reform
Date:	12 August 2022
Classification:	Open – General Release
Title:	Ebury Estate Renewal – Revised Phasing Programme
Wards Affected:	Knightsbridge & Belgravia (previously Churchill Ward)
Policy Context:	The regeneration of the Ebury Bridge Estate will provide more affordable housing and bring about the long-term physical, economic and social sustainability of the neighbourhood.
Key Decision:	This is a Key Decision and has been included for 28 days on the list of forthcoming decisions due to the level of expenditure
Financial Summary:	This report realigns approved expenditure on design and associated works to the new proposed programme for Ebury Phase 2
Report of:	Debbie Jackson, Executive Director of Growth, Planning and Housing and Gerald Almeroth, Executive Director of Finance and Resources

1. Executive Summary

- 1.1. The regeneration of the Ebury Bridge Estate will provide more affordable housing and bring about the long-term physical, economic and social sustainability of the neighbourhood.
- 1.2. The Council has worked with Ebury Bridge Estate residents to create a high-quality scheme that offers an attractive mix of homes including affordable homes for rent and sale, meeting a range of housing needs. The scheme also offers shops, public realm and community facilities.
- 1.3. In July 2020 a planning application (reference: 20/04366/COOUT) was submitted to the local planning authority for the redevelopment of the Ebury Bridge Estate. A decision notice was issued for the Council's hybrid planning application on the 6th October 2021, Phase 1 (Blocks 7&8) received detailed consent, with the remaining blocks requiring further Reserved Matters Applications.
- 1.4. This report seeks approval of a revised phasing programme for the Ebury Estate renewal project and for the remaining approved expenditure in the sum of £6.7m for design consultancy elements and associated works (from the approved sum of £8.3M) for Phase 2A programme to be allocated as a budget expenditure for the Council on the new expanded Phase 2 revised phasing programme as set out below:
 - Phase 1 – Blocks 7&8 (delivery in progress)
 - Phase 2 – Blocks 1, 2, 3, 5 & 6
 - Phase 3 – Blocks 4&9

2. Recommendations

- 2.1. The Cabinet Member for Climate Action Regeneration and Renters is recommended to approve a revised phasing programme for the Ebury Estate Renewal project, with Blocks 7&8 in Phase 1, Blocks 1, 2, 3, 5 & 6 in Phase 2 and Blocks 4&9 in Phase 3.
- 2.2. The Cabinet Member for Finance and Council Reform is recommended to approve the remaining approved budget expenditure of up to £6.7m (from the approved sum of 8.3M) to be re-allocated to design consultancy elements and associated works for the recommended new Phase 2 in the revised phasing programme.

3. Reasons for Decision

- 3.1. Ebury Phase 1 (blocks 7&8 – shaded white on plan 1 below) is currently in its early construction phase and due to be delivered in May 2024. Outline planning approval for the rest of the blocks for Ebury Phase 2 was given in October 2021 as part of a hybrid planning application for the wider scheme. At that time, it was anticipated that Phase 2 would be split into two distinct delivery phases:

- Phase 2A (delivering blocks 5, 6 & 1 – shaded blue on plan 1)
- Phase 2B (delivering blocks 2, 3, 4 and 9 – shaded red on plan 1)



Plan 1

3.2. Early in 2022, reports of significant increases in the market were reported by Gardiner & Theobald, the project Cost Consultants, which prompted a review of the viability and delivery of the remaining blocks.

3.3. A revised phasing programme is now being proposed which would include the following changes:

- a larger second development phase incorporating blocks 2 and 3 (outlined in red on plan 2 below and;
- a final Phase 3 delivering blocks 4 and 9 (outlined in purple on plan 2 below).



Plan 2

3.4. The benefits of this revised phasing programme are:

- This programme demonstrates a significant improvement of circa £16M on the current baseline programme in terms of viability due to the reduced impact of construction inflation by accelerated delivery.
- Accelerates the delivery of circa 70 more affordable units within Blocks 2 & 3 which will be completed circa 12 months earlier than the previous phasing programme.
- Enhanced and accelerated public amenity offering as two squares will be brought forward as part of Phase 2 rather than just one in the previous Phase 2A
- More holistic approach to phasing of the works which improves efficiency and reduce the risk of delay.
- Accelerates the delivery of more of the lower blocks providing more frontage on Ebury Bridge Road and the establishment of the new high street frontage, with the additional benefit of offsetting the impact of the high rise blocks on the conservation area.

3.5. This report seeks approval of the revised phasing programme along with the re-allocation of the remaining approved budget expenditure in the sum of £6.7m (from the approved budget of £8.3M) for design consultancy elements and associated works from the current Ebury Phase 2A programme to the new Phase 2 within the recommended revised phasing programme. Details of the approved expenditure can be found in the Financial Implications section.

3.6. The appointments and contracts with our external professional team are all in place and services can be commenced without variation, subject to the approvals sought in this report.

4. Background, including Policy Context

4.1. The Ebury Bridge Estate is one of the five priority estates identified in the Council's Housing Renewal Strategy (2010) as needing significant improvement and investment.

4.2. In line with the Council's strategic objectives, regenerating Ebury Bridge Estate will deliver a comprehensive renewal that brings about physical, economic and sustainable change that creates additional homes and improves the lives of residents, businesses and visitors alike.

4.3. This proposal will help meet the Council's objectives for the regeneration which include:

- The regeneration should be a Council-led;
- The Council should retain long term ownership of the estate;
- The regeneration should produce a range of tenures for people on different incomes to live and work in central London; and

- Delivering the regeneration in a sensitive and inclusive way, setting a standard for quality and place making for this important Westminster neighbourhood.

5. Financial Implications

5.1. In March 2021 approval was sought from the Cabinet Member for Communities and Regeneration and the Cabinet Member for Finance and Smart City, for advanced expenditure totalling £5.1m on Phase 2A of the previous phasing programme to progress detailed design and associated works up to the completion of RIBA stage 3. This advanced expenditure was requested prior to the planning decision to ensure that programme momentum was maintained. The report also sought delegated approval for the award of contracts for the necessary consultants to form the design team. Date of decision for this Cabinet Member Report was 30 March 2021.

5.2. The approved advanced expenditure was for the appointment of key consultants required for Phase 2A which included the architect, multi-disciplinary design team, project manager / employers agent and the planning and viability consultant. The advanced budget also included £650k provision for the demolition of Bridge House in Phase 2A to allow progression of the scheme, but this has now been removed as this matter was dealt with through a separate Cabinet Member Report.

5.3. A further Cabinet Member report in November 2021 sought approval for further spend on Phase 2A of £3.8m and requested approval to enter into contract with Gardiner and Theobald for project management, Quantity Surveying and Employers Agent Services and Ove Arup and partners for the provision of multi-disciplinary services. Date of decision for this Cabinet Member Report was 22 November 2021.

5.4. The total spend approval of £8.3m given for Phase 2A across both reports for external professional appointments and related services is shown in the table below. As identified above, demolition expenditure and approvals has been removed and dealt with separately.

Approval	Approved Expenditure
March CMR Advanced Spend Approval	£5.143m
November CMR	£3.806m
Total Spend Approved	£8.949m
Less Demolition Spend Approval	(£0.650m)
Total Spend Approved (excl demolition)	£8.299m

5.5. To date £1.6m has been spent against this approved budgeted expenditure limit. This excludes expenditure incurred to date on demolition.

5.6. This report seeks approval of the re-allocation of the remaining approved budget expenditure of £6.7m (from the above approved budget spend of

£8.3M) for design consultancy elements and professional fees for from the current Ebury Phase 2A to the new recommended Phase 2 within the revised phasing programme.

- 5.7. Whilst the new Phase 2 is larger than the previous Phase 2A, latest forecasts suggest that the design development and other early stage work required for this phase can be contained within the already approved spend of £8.3M.
- 5.8. These costs were included in the Ebury scheme budgets put forward as part of the 22/23 budget setting process in March 2022.
- 5.9. An Outline Business Case (OBC) for Phase 2 of the Ebury scheme is due to come forward later in the year. This will look to recommend a delivery route for Phases 2 and 3 of the scheme and seek further spend approval to progress the scheme.

6. Legal Implications

- 6.1 The recommendation in this report is seeking approval in respect of the Council's redevelopment of a the Ebury Estate Renewal Project ("the Project") to:
 - (i) revise the current Phase 2 Programme and implement a new Phase 2 revised phasing programme for the Project and
 - (ii) re-allocate the Project's remaining allocated approved budget spend for the redevelopment in the sum of £6.7m (from a previous approved budget spend of £8.3m) to be re-allocated for design consultancy elements and associated works for the recommended new Phase 2 revised phasing programme.
- 6.2 Under section 1 of the Localism Act 2011 subject to sections 2 - 4, the Council is permitted to do anything that individuals generally may do. Such powers are conferred to be exercised in any way whatsoever, which include the power to do so for the benefit of the Council, its area or persons resident or present in its area. As such, the Council may utilise relevant spending budget resources to deliver the Project redevelopment.
- 6.3 The Council's budget spend for the Project should be appropriate for the works and services required and demonstrate value for money. It must ensure budgets are optimised as much as possible in relation to securing the desired outcome. The Council has a statutory duty under the Local Government Act 1999 to obtain and achieve best value when procuring services and works which is in the interest of public spending.
- 6.4 It is understood that some of the approved budget spend has already been used to procure services and works for the Project with current contracts already in place to support and facilitate the design consultancy elements and associated works for the new Phase 2 revised phasing programme recommended.

- 6.5 It is important to note that any contract variation to the current services or works contracts required to deliver the proposed new Phase 2 revised phasing programme for the Project, must be in accordance with the Public Contracts Regulations 2015 and the Council's Procurement Code.

7. Carbon Impact

- 7.1. Ebury is a high performing sustainable development that utilises ground and air source heat pumps for the generation of all heating and cooling in the homes. In addition, it provides infrastructure for electric car charging across all car parking provision, which meets the statutory requirement. Otherwise it is a low car development due to its proximity to public transport links and connectivity. Although the development pays a small carbon offset payment, the development is far more carbon efficient than the current estate and sees this benefit materialise in Year 12.

8. Equalities Impact

- 8.1. The Council has an independent Equality Impact Assessment (EQIA) for the project and the conclusions are summarised in Appendix 1. The EQIA is reviewed and updated at key milestones along the programme.
- 8.2. This decision will neither increase nor decrease the impact that was previously assessed in the EQIA.
- 8.3. The Council requires all partners, professional advisers and contractors to align with the Council's equality duties and also the requirements stipulated in the Considerate Constructors Scheme. The Considerate Constructors Scheme has made inclusivity a key objective and is actively requiring participants to recruit from under-represented groups.

9. Consultation

- 9.1. All consultation in relation to the development being undertaken on Ebury has been undertaken as necessary. Regular communications and updates are circulated to both Ward Councillors and local stakeholders and residents by the project team.
- 9.2. Further consultation will be carried out on Phase 2 & 3 as part of the Reserved Matters Applications which will involve multiple resident consultation events with the design and client team, regular updates via letters and emails as well as an up-to-date website.
- 9.3. Following the ward boundaries changes in May 2022 (previously Churchill now K&B) the Ward Councillors have been consulted with again in writing.

If you have any queries about this Report or wish to discuss further, please contact:

Vikki Everett, Head of Development at veverett@westminster.gov.uk
or 07971 017583; or

Lyndsey Gamble, Strategic Finance Manager at
lgamble@westminster.gov.uk or 07739 413577

APPENDICES

Appendix 1 – Equalities Impact Assessment

BACKGROUND PAPERS

None

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member** for Climate Action, Regeneration and Renters

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: 

Date: 12/08/2022

NAME: **Councillor Matt Noble**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Ebury Estate Renewal – Revised Phasing Programme** and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Climate Action, Regeneration & Renters
12/08/2022

Date:

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

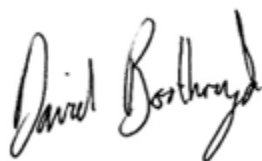
If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

For completion by the **Cabinet Member** for Finance and Council Reform

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report



Signed:

Date: 12/08/2022

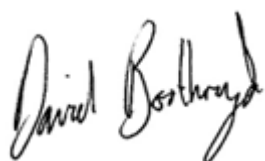
NAME: **Councillor David Boothroyd**

State nature of interest if any:

(N.B: If you have an interest, you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Ebury Estate Renewal – Revised Phasing Programme** and reject any alternative options which are referred to but not recommended.

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