

Appendix 3 - Final Proposals summary

This appendix sets out a summary of the final proposals in relation to the procurement objectives set by the Council in 2018 and in the context of the Initial Business Plan which was agreed in November 2019. The following table highlights how the final proposals scheme addresses both of these factors. Any changes in the scheme since the last Business Plan was approved in November 2019 will result in the new scheme being included in an amended Business Plan immediately upon approval of the final proposals.

No	Procurement Objectives	Assessment of bid proposal	Position in the final proposals June 2020
1	<p>The Council requires a mixed use integrated residential and commercial use scheme on the site with mixed tenure housing development of private sale, private rent, and an increase on the 441 affordable units on the site, as well as a scheme that is in accordance with the Council's planning policies.</p>	<p>The scheme developed for the procurement exercise met this objective by demonstrating a strong mix of these requirements. It delivered an increase on the 441 affordable units on site and demonstrated a strong planning approach. It included:</p> <ul style="list-style-type: none"> • Over 1600 homes • Over 500 affordable homes split across tenures • These affordable homes were demonstrated to be locally affordable e.g. rents at or below Local Housing Allowance levels • Mixed use / tenure scheme 	<p>The detail of the housing to be delivered will not form part of the hybrid planning application this July, however a Design Code will set much of the look and feel of the housing to be applied for. The detail of the housing itself will be the subject to future reserved matters planning applications (RMAs) relevant to the various phases of development. The project continues to seek to maximise housing, in the context of the overall scheme and the need for financial viability.</p> <p>The Initial Business Plan set out a baseline of 1,658 homes, 512 of which will be affordable (of different tenures). The final proposals revises this to seek planning for between 1,669 and 1,760 homes through a parameter plan approach. An Illustrative Masterplan is also to be submitted to planning to demonstrate how the lower of these parameters can be delivered. This Indicative Masterplan includes 1669 homes that would be delivered in the first phase of the housing. The results of the 2019/20 Housing Needs Survey, alongside analysis of site and delivery constraints, have been used to inform the first phase of housing which will follow the hybrid planning application as a reserved matters application. This is to ensure that suitable homes can be provided for the first residents to move in line with the phasing strategy for the project.</p> <p>Additionally the JV board and the two shareholders have reached an agreement in principle to deliver a minimum of an additional 100 social rented homes through the conversion of private sale units with gap funding / acquisition costs provided by the Council. This accords with the Council's commitment, reflected in the LLP business plan, to maximise affordable homes in the scheme.</p>
2	<p>The Council aspires to the expeditious delivery of the scheme as soon as reasonably practicable in accordance with a robust and realistic proposal whilst managing and minimising disruption.</p>	<p>The programme plan developed in the bidder's concept for the procurement process would see activities from both JV partners commence as soon as Full Council approval is given to expedite the process. This programme would see works in the example scheme commence in 2021 (e.g. pre planning</p>	<p>The timetable has moved to accommodate extended consultation and generation of options in relation to the feedback received. Therefore the target completion date for the construction element is now 2033. In order to maintain pace, the first planning application, summarised in these final</p>

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		<p>work) and anticipated completion of the site in 2032. Priority is demonstrably been given to the rehousing of the current BQ residents. It included:</p> <ul style="list-style-type: none"> • Highways works proposed to commence 2021 – 5 year programme with possibility to be negotiated down • Proposed completion of site 2032 	<p>proposals, will now be a hybrid application consisting of outline for the whole site through parameter plans, a Design Code and detail for the highway. This will be followed by a reserved matters application for the first phase of the housing for a minimum of 267homes in line with the Initial Business Plan.</p> <p>There have been significant changes to the phasing of the scheme which has led to all but one phase being delayed in the programme and taking longer to complete. This has been on t he back of further analysis of the development programme and potential market absorption of units. These changes are offset in the whole programme by bring forward in the programme a later phase. As a result the overall scheme is completed in 2033 one year later than the previous scheme.</p> <p>In relation to the highways works early contractor involvement has begun to identify the optimum phasing and delivery timescale. The highway design is assessed as being the only option which allows the Queensway to remain open during the whole development period, therefore seeking to minimise disruption.</p>
3	<p>The Council is seeking the establishment of a safe, vibrant, sustainable community through the Better Queensway scheme that will impact positively on the economic and social well-being of the Community. This should include the establishment and operation of an on-going Community Fund.</p>	<p>This objective has been met through a demonstration of their design concept and the establishment and operation of a community fund. The overall concept included significant elements of community safety. It included:</p> <ul style="list-style-type: none"> • CCTV • Community concierge – Staffed facility to provide local residents with onsite services and support • Activated green spaces • SuDs provisions • Energy Centre on site • Opportunities for start-up businesses • Community Fund and Community Liaison Role established 	<p>While information relating to security is too detailed for this stage in the planning process, secure entrances, CCTV and concierge services have all featured as part of the recent consultation and are included within the lobbies.</p> <p>There has been a reconfiguration of the green space to reflect constraints identified in plot delivery. A park is at the heart of the development has been changed in shape and reduced in size with the green space being distributed throughout the site. The key public spaces are all as per the original bid scheme with the distribution of the same amount of green space with the introduction of a new green link connecting Porters Park through to Southchurch Road, reflecting anticipated pedestrian desire lines.</p> <p>In regards to the energy provision, the building and energy regulations have changed and CHP systems are no longer compliant with current regulations. As a result, a revised a revised energy strategy has been prepared that will be submitted to planning which sets out different ways the</p>

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			<p>scheme could address the new regulations on a phase by phase basis. This will likely include air source heat pumps which are recognised as a low carbon technology. This change in strategy has required additional plant and equipment to be located on the roofs of the blocks causing an increase in height of one storey.</p> <p>The Queensway design has been developed with a co-ordinated sustainable urban drainage strategy in mind, this is considered with the selection of trees and planting, the proposed paving and detailing and the inter-relationship between this and the green spaces throughout the rest of the scheme.</p> <p>As a secondary feature the benefits of infilling the Queensway allow for water attenuation tanks to be placed in the current underpass, making use of that space to the benefit of the development and the wider town, particularly the seafront which can suffer from flooding in heavy rain events.</p> <p>Community Liaison Officer is already in post.</p>
4	<p>The Council requires the delivery of a revised highways scheme serving the Better Queensway site in line with the requirements as set out in the Descriptive Document with all adopted roads continuing to be maintained by the Council.</p>	<p>The scheme developed for the procurement meets the requirements set out in the descriptive document and Highways Design and Principles document. It included:</p> <ul style="list-style-type: none"> • Four lanes from town centre to seafront retained • Raises the Queensway underpass to ground level throughout • Recognises traffic flow requirements whilst seeking to improve permeability across the site 	<p>The highway will be submitted in detail as part of the hybrid planning application. Extensive options development has been undertaken in response to consultation feedback regarding the highway and the optimum highways design presented for the final proposals presents the highway at grade (street level and filling in the underpass) and retains four lanes from the town centre to the seafront. This design now remains within the existing highway boundary, with the overall amount of highways land being reduced and returned to public realm or developable area.</p> <p>Additional work is still being undertaken on this scheme with traffic modelling ongoing, provided this supports the highways scheme this will be one submitted to planning. If this modelling requires any changes these will be reviewed, non-material changes can be approved through the delegation in place whilst if more significant changes are required the scheme will be represented through the final proposals process for approval</p>
5	<p>The Council requires the scheme to provide enhanced pedestrian and cycling permeability across the site and links to the town centre.</p>	<p>The scheme developed for the procurement meets these requirements through:</p> <ul style="list-style-type: none"> • Makes appropriate provision for cycle lanes throughout the site 	<p>Cycle lanes and pedestrian permeability are demonstrated through the drawings in the design drawings in the appendix. New off street cycle lanes connecting from Victoria Gateway down the Queensway and linking in with other existing cycle</p>

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		<ul style="list-style-type: none"> • Two large green areas contained within the site boundary • Makes adequate provision for pedestrian permeability 	<p>routes are proposed.</p> <p>Green space across the site creates a safe, at grade, natural link to the town centre and improved connectivity, reducing severance. Careful positioning of proposed commercial frontages to key corners and walking routes through the scheme will provide passive surveillance and increase footfall in those areas.</p>
6	<p>The partnership will offer existing Council tenants on the site the chance to return via an Assured Tenancy. Although this will not be a direct Council tenancy, it will offer the same terms and conditions. The Council recognises that those seeking a secure tenancy will be offered Council housing elsewhere within the Borough as available. Resident leaseholders will be offered a shared equity unit, and the remainder of the affordable units must be genuinely affordable with rents at or below Local Housing Allowance levels on a continual basis. These units must remain affordable on the exit of the partnership. The <i>Better Queensway - Resident and Leaseholder Commitments</i> document must be adhered to when delivering the scheme.</p>	<p>This objective has been addressed in full throughout the submission in many sections. In addition to these requirements there is a significant amount of added value items that have been included as a result of partnering with a housing association. This includes access to their housing register and processes.</p> <ul style="list-style-type: none"> • Shared ownership offer affordable for local people with rental element at or below local housing allowance • 25% entry for shared ownership 	<p>The final proposals scheme does not present detail in regards to the tenancy offer as it is not a matter of design but service delivery. There has been no change in the offer made at bid stage and all parties are committed to maximising the number of affordable rented homes on the site within a financially viable scheme.</p> <p>An in principle agreement has been reached between the JV and its two shareholders to deliver at least an additional 100 affordable rented homes at social rents through the conversion of private sale units i.e. increasing the overall percentage of affordable homes in the development.</p> <p>The results of the Housing Needs Survey have been used to inform and reconfigure the unit mix within the plans for the first phase of housing so as to ensure that the needs of residents who move first can be met.</p>
7	<p>The Council is seeking a sustainable development based on excellent design quality of homes, open spaces and supporting infrastructure delivered in accordance with the Better Queensway design policy and principles document.</p>	<p>This objective has been addressed throughout the submission and adherence to the Design Policy and Principles document.</p> <ul style="list-style-type: none"> • Mixed tenure scheme • Varying density in line with planning advice • High quality public realm • SUDS / Energy centre approach robust centre approach utilising Queensway underpass • Met key requirements re. Sustainability / Aspect 	<p>The final proposals presented confirms a mixed tenure scheme with a range of building heights from 3 to 18 storeys of residential accommodation. Pre-application meetings have been ongoing with stakeholders and the LPA to assess the proposals through development for acceptability. Where possible comments have been taken on and addressed by the design team.</p> <p>A park remains at the heart of the development, with 3 key public spaces as per the bid being provided. Station Plaza, Porters Park and the new setting for All Saints Church. In addition, green space has been distributed throughout the scheme with the introduction of enhanced green links from Coleman Street, through the park and down into Southchurch Road, reflecting key desire lines to establish safe and pleasant routes into and out of the town centre.</p> <p>A Design Code is being submitted through the final proposals process that builds on the Design Policy and Principles document from the procurement and codifies many aspects of</p>

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			<p>the development to come forward. This is still being developed by the JV, but it has committed that this document will comply with the Design Policy and Principles document from the procurement. In advance of its submission this will be reviewed by the Council to ensure that this is accurate. On this basis it can be approved through the final proposals process subject to this review. If upon review there are non-material changes to it this can be approved through the delegation. If there are material changes this will trigger a second final proposals process.</p>
8	<p>The Council requires the development to be environmentally sustainably delivered both during construction and its lifetime, taking into account the impacts of climate change.</p>	<p>This objective has been met through the responses in questions including:</p> <ul style="list-style-type: none"> • Sustainable Urban Drainage Systems / Robust Energy centre approach utilising Queensway underpass • Green infrastructure • Robust construction management plan 	<p>In regards to the energy provision, the building and energy regulations are changing so the energy strategy has been revisited in the final proposals process. A new approach has been included within the planning submission that will address energy provision on a phase by phase basis.</p> <p>Environmental sustainability in design, construction and day to day life across the site continues to be a key consideration. This was strongly supported during the consultations and will continue to be explored across all aspects of the Project.</p> <p>Greening of the area is a feature of the plans with a park at the heart, additional green space distributed across the site and a net increase in the total number of trees on site with 2 for 1 trees proposed.</p>
9	<p>The Council requires the scheme to further and contribute to the Better Queensway Smart Cities aspirations.</p>	<p>This objective has been met through the responses in the Design and Master plan and Smart Communities sections in their submission.</p> <ul style="list-style-type: none"> • Future proofing of scheme with hard wired infrastructure • Portal established for local residents • Number of smart technologies included within the home and site e.g. CCTV / Waste / Smart metres / monitoring stations 	<p>At this stage the detail of smart city infrastructure is not presented in relation to final proposals however matters such as CCTV and secure entry systems have been highlighted during consultation.</p>
10	<p>The Council's design aspirations are reflected in the Design Policy and Principles document. The most important aspirations are, in descending order of priority:</p>	<p>The bidder has managed these aspirations in developing its solution and has endeavoured to most closely meet those possible within the challenges of both the financial and site constraints.</p> <p>In the example scheme developed for the procurement:</p> <ul style="list-style-type: none"> • Affordable Housing has been increased from 441 to 512 units 	<p>The car parking ratio for the scheme is proposed to be 0.7:1 (increase from 0.25:1 on the current site) This is in line with the scheme in the current Business Plan. Some phases of development will deliver more parking than others and where it is less parking is available measures to mitigate and off-set that with interim parking elsewhere will be available, but the final scheme is expected to deliver 0.7:1 parking ratio.</p>

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	<ul style="list-style-type: none"> Increased affordable housing provision; 1:1 car parking provision; and Building heights not exceeding 12 storeys 	<ul style="list-style-type: none"> These affordable homes were demonstrated to be locally affordable e.g. rents at or below Local Housing Allowance levels (amount claimable in housing benefit) / Shared Ownership entry at 25%). Parking is delivered at 0.7:1 (increase from 0.25:1 currently) Three buildings above 12 storeys. However, all buildings are lower than current tower heights. 	<p>The previous basement parking has largely been omitted from this scheme, apart from a potential parameter to include some if required. The proposed solution is to allocate the majority of car parking in podium and multi-storey car park structures with the remainder distributed on street and to be managed by permit arrangements.</p> <p>Building heights have increased in some places across the site. This has been to:</p> <ul style="list-style-type: none"> Accommodate this parking; Address energy needs by locating extra environmentally friendly heating plant and equipment on the roofs; To change ground floor uses to commercial and community concierge rather than residential in order to improve the quality of the environment and increase security; and To recover a reduction in viability as a result of these changes by increasing private sale units by between 11 and 103 and charging a premium for the units at height with sea views. <p>These changes result in a viable scheme with no buildings that appear taller than the corresponding tallest building at that end of Victoria Avenue (Alexandra House).</p> <p>In terms of massing, a reduction in height along Sutton Road is also evident in the drawings.</p> <p>Overall the scheme presented has therefore not addressed this objective as well due to the increase in height and lack of change in the other 2 factors of affordable housing and parking. It was felt that increasing height whilst retaining these 2 factors was appropriate as they were of greater priority</p> <p>Outside, but in parallel with the final proposals, the JV and its two shareholders have reached an in principle agreement to deliver at least an additional 100 affordable rented homes at social rents conversion of private sale units supported by gap funding from the Council i.e. a greater percentage of homes on the site will be affordable . This further increases the affordable housing provision.</p>
11	The partnership will obtain planning permission for the scheme and other consents as necessary	<ul style="list-style-type: none"> Pre-application advice sought on procurement concept. Appropriate approach put forward. 	Submission of the information considered here is a requirement in advance of making a planning application.

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		<ul style="list-style-type: none"> • PPA approach proposed in concept. 	<p>The first planning application (hybrid seeking outline consent for the whole site through parameter plans, Design Code and detailed for the highway) is expected in July 2020 subject to this final proposals being agreed. The first phase of housing for a minimum of 267 units will then follow as a reserved matters application. This is a change to the approach proposed in the bid submission but will enable the pace of delivery to be maintained and the HIF deadline to be reached. It has been discussed with the Local Planning Authority through pre-planning and separately agreed at the JV Board.</p> <p>There is no Planning Performance Agreement (PPA) in place currently</p>
12	The Council aspires to maximise all aspects of social value through the Better Queensway scheme in line with the Council's draft social value policy (policy to be finalised during the procurement)	<ul style="list-style-type: none"> • Community Fund established and Community Liaison Role established • Local employment proposals detailed including training • Early engagement with local community, including residents / schools etc. addressing improving life opportunities / health & wellbeing / affordability 	At this stage of the project the detail relating to social value outcomes is not presented however other activity continues to indicate the JV's commitment to it such as the early appointment of the Community Activation Officer who has connected with a wide range of local stakeholders already, Swan's support of the SECTA (South Essex Construction Training Academy) project etc.

No	Objectives		
	Approach Objectives		
13	The Council requires a long-term partner to work with it to fund and develop the mixed use scheme identified above on the Better Queensway site including associated highways infrastructure and to fund, manage and maintain all public realm and retained operational units on the site.	<ul style="list-style-type: none"> The partnership agreement, Leases, management agreements and funding approach broadly reflect the Council's requirements. There are some departures from the Council's anticipated legal approach to the partnership but these are well understood and mitigated through the arrangements. 	The legal documents appointing Swan as partner and establishing Porters Place Southend-on-Sea LLP as the joint venture vehicle to take forward the project were signed in April 2019. These underpin the way in which the partners will work together over a 30 year period to fund, deliver and manage the site.
14	<p>The Council requires an on-going role in the governance of Better Queensway including equal say on, at least, the following areas:</p> <ul style="list-style-type: none"> Community / Resident engagement; Changes to tenancy agreements; Rent levels; Tenure changes; Retaining the minimum number of affordable units; Operation of the Community Fund; and Management and maintenance of all affordable units <p>The Council requires a significant influence over, at least, the following areas:</p> <ul style="list-style-type: none"> Design of the scheme; Branding of the scheme; Sales, operation and rental strategies of residential and commercial facilities; Management and maintenance of all retained operational units and public realm; and Procurement of contractors. 	<ul style="list-style-type: none"> The lease agreement and partnership agreement details all of these requirements, and therefore has been addressed. 	The final proposals does not relate to these as partnership working and service delivery matters. However, it is worth noting that experience of working in the new partnership arrangements demonstrate active participation by the Council and its partner in a partnership approach.
15	Where the Council does not already own the freehold of elements of the site at the point of entering the partnership it will seek to obtain such freehold ownership through the partnership. Any costs associated with CPO will be funded by the partnership.	<ul style="list-style-type: none"> The approach includes suitable options for the CPO approach. All costs allowed for within the partnership Arrangements put in place to expedite the scheme 	Outstanding land title matters are being addressed and where premises are being secured to enable freehold ownership of the site these costs will be met by the JV. The application for designation as a regeneration site will be made on determination of the planning application. The proposed timeline for the application and granting of the Compulsory Purchase Order (CPO) has been extended but within the tolerances of the overall programme. There is a CPO strategy in place.
16	The Council will retain freehold ownership of the entire site throughout the development and operational periods.		This continues to be the case.

17	The Council's only guaranteed investment into any partnership arrangement will consist of the value of the long lease of the land.	<ul style="list-style-type: none"> The bid demonstrates a residual value appraisal of the land is negative based on the Council's voluntary requirements for the site (objectives / minimum requirements) Arrangement put in place to meet s123 obligations 	The financial arrangements are subject to ongoing testing and review by the JV and its two shareholders to ensure value for money.
18	The Council has some appetite for risk. This could extend to investment beyond the land value and operation of the site. Any such investment must be balanced by commensurate reward. Any investment by the Council must be balanced by private investment. In addition, the Council may provide senior debt funding for the initial development of the scheme	<ul style="list-style-type: none"> Council invest equity of £1.5m Council Junior loan of £13.5m Reward paid through interest and profit share Interest expressed in Council being senior lender – no commitment made. 	A change in the make-up of the financial arrangements was reported through the Shareholder Board report of 16 th October 2019 (minute 16 refers). This shows Council investing equity of £1.00 and junior loan of £14,999,999.00. Discussions are ongoing between the Council and the JV regarding the Council being the senior lender.
19	The Council expects to receive meaningful financial returns which are to be delivered throughout the development and the life of the operation of the scheme.	<ul style="list-style-type: none"> Conceptual approach and indicative scheme reflects a good financial return, which was judged as commensurate with the risk being taken. 	A small contradiction in viability calculation approaches was identified through the final proposals process. This has been addressed through an agreement in principle to address this inconsistency. On the basis of this agreement the scheme remains viable and the Council will receive 50% of the profits of the scheme as well as an appropriate return on its lending.
20	The Council requires the partnership to keep all relevant stakeholders engaged and informed in an open honest timely and appropriate way.	<ul style="list-style-type: none"> Included in number of ways (statutory & non-statutory) Early engagement with all stakeholders Planning engagement with stakeholders Ongoing engagement through tenancy management 	<p>The JV, working with the Communications teams of both its shareholders, and its appointed consultation specialists GL Hearn, have undertaken two rounds of public consultation over autumn 2019 and winter 2019/20. This has included dedicated sessions for residents, businesses, Councillors and the Youth Council as well as general public engagement events and an on-line presence.</p> <p>The JV has also appointed its Community Activation Officer who is regularly on-site and engaging with a range of stakeholders.</p> <p>A Housing Needs Survey has been undertaken in partnership with South Essex Homes to better understand the needs and aspirations of existing residents.</p>