

**Report of: Executive Officer (Infrastructure & Investment)**

**Report to: LEP Director and Head of Economic Strategy**

**Date: 20<sup>th</sup> November 2014**

**Subject: Leeds City Region Housing Analysis**

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|--|------------------------------|--|
| Are specific electoral Wards affected?<br>If relevant, name(s) of Ward(s):   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information?<br>If relevant, Access to Information Procedure Rule number:<br>Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

### Summary of main issues

1. There is an urgent need to progress an analysis of the drivers of housing growth in the city region. Two phases have been undertaken to underpin the analysis in the Strategic Economic Plan and to support the joint work on housing by local planning authorities in the Partnership. A third phase was approved to provide detailed analysis for those authorities within the Leeds City Region that are at an early stage in preparing evidence for their Local Plans. This third phase was subject to a waiver dated 28<sup>th</sup> July 2014, to the value of £17,300. It is proposed that this third phase be extended to include additional work for York City Council, Craven Council and Wakefield Council as all are at a point in their plan making process where additional analysis on housing projections is required. This work is essential for the Partnership; once the phase three work is complete, the Leeds City Region authorities should be in a position to understand whether collectively, as a city region, we are meeting objective housing need and the LEP ambitions, as included in the SEP.
2. It is proposed to extend the current commission of Edge Analytics for this work as they have a track record of working on forecasting housing growth for both the partnership and individual authorities, they have undertaken the initial phases of this work and has been well received by the Partnership. Their work is considered good value for money and is of a high quality. Their additional fees for this additional work would be £31,000 which will be met through local authority contributions. Budgets are in place to cover these costs.

### Recommendation

1. That the relevant contractor procedure rules are waived under Contracts Procedure Rules No 8.1 and 8.2 - intermediate value procurements, due to the exceptional circumstances Edge Analytics are awarded the contract from October 2014, as set out.

## **1 Purpose of this report**

- 1.1 To put in place arrangements to extend the existing project scope that will enable urgent work to provide forecasts of the scale of future housing provision for three districts within the city region to be carried out. This work will be carried out for York, Craven and Wakefield. It is proposed that the work is undertaken by the specialist consultant – Edge Analytics - who have previously carried out similar work in parts of the city region. They have a very good understanding of the specific demographic and economic issues within the different parts of the city region that will shape their forecasts and have carried out such work for a number of authorities in the city region. Edge Analytics have undertaken the first two stages of this staged commission and are currently delivering stage three.
- 1.2 The work is urgent for several reasons. It is required to provide an understanding of the relationship between economic ambition and housing delivery in the city region Strategic Economic Plan. Recent Examinations in Public have demonstrated that future examinations (some of which will take place later this year) will require a strong understanding of the cross boundary interactions in planning for housing growth across the city region. The three authorities require the work to be completed to feed into tight Local Plan timescales.

## **2 Background information**

- 2.1 Work carried out in the Autumn of 2013 by Edge Analytics for the City Region Partnership set out how a common methodology for assessing future housing requirements that are to be planned for (known as the Objectively Assessed Need for Housing) has shown the value of collaborative working on what is a complex issue. This work requires specialist understanding and analysis of the drivers of housing growth e.g. migration, population age structure etc. This analysis requires frequent updating as new information becomes available which has been particularly the case since the 2011 census which is revealing significant changes in population structure, with further releases of information due in coming months. Such analysis requires expertise that is no longer readily available within the local authorities in the Partnership.
- 2.2 This methodology can also be used to analyse the relationships between individual authorities' Plans for housing and articulate a common narrative on the issues faced by each authority as it seeks to address new housing provision. Failing to do this adequately could seriously undermine a development plan in respect of complying with the Duty to Cooperate. The city region has direct experience of this in the Kirklees Plan as well as seeing similar instances elsewhere in the country where plans have failed to progress due to the compliance issue.

## **3 Main issues**

### **Reason for Contracts Procedure Rules Waiver**

- 3.1 The individual authorities in the city region are working on statutory Development Plans. The recent experience in York, Kirklees and Leeds has shown that future housing provision is central to the effective strategic planning for the whole city region. The effectiveness of individual Plans is tested through the Duty to Cooperate introduced in 2011 by the Localism Act. It is clear from recent experience of the testing in the city region and elsewhere that effective alignment of the evidence that underpins our understanding of future housing growth is an essential prerequisite for a successful Plan. Failure to complete a Plan leaves the authority and the district at significant risk of development occurring that is neither in locations supported by the local authority or community, nor what is required to support sustainable development and economic growth. Consideration of the evidence of the three authorities

York, Craven and Wakefield has shown that further detailed analysis is required over and above the originally scoped work of the existing commission. A shared commission will achieve procurement savings through economies of scale and support a more joined up and consistent approach being achieved.

- 3.2 Edge Analytics have an excellent track record of working with Leeds City Council, the City Region Partnership and other local authorities in the partnership on demographic analysis. Their fee rates are considered very competitive and they have the detailed knowledge and expertise and the capacity to carry this work out within the timetable required. The additional cost to undertake an extended phase three is £31,000. Furthermore Edge Analytics have demonstrated through their previous work that they understand the complexities of both working with the Partnership and the differing demographic circumstances faced by individual authorities. The Budget is in place from the local authorities to cover the cost of the commission.
- 3.3 The LCR Planning Portfolios Board endorsed the work being undertaken as a matter of urgency on the 10<sup>th</sup> July 2014.

#### **Consequences if the proposed action is not approved**

- 3.4 There would be a risk of failure of development plans in the city region with them not being able to sufficiently demonstrate compliance with the Duty to Cooperate. There could also be delays in progressing the Local Plan reviews in York, Craven and Wakefield due to not undertaking the work quickly and in collaboration with all city region partners, which could also result in the potential loss of procurement savings that could be achieved through a joint approach.

#### **Advertising**

- 3.6 No advertising has or is proposed to take place for this commission. As set out in the report above, due to the necessary short timescales for undertaking the work, and the past experience, knowledge and positive track record of Edge Analytics of undertaking similar work for both the LCR Partnership and individual partner authorities.

### **4 Corporate Considerations**

#### **4.1 Consultation and Engagement**

- 4.1.1 The City Region Heads of Planning and the LCR Planning Portfolio Board have both considered this matter and support the proposal and the urgent need to make progress on this matter. LCR Chief Executives also support the work being undertaken.

#### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 There are no equalities and diversity issues with this commission or cohesion and Integration issues at this stage.

#### **4.3 Council Policies and City Priorities**

- 4.3.1 LCC's Executive Board has previously received specific work in this field from Edge Analytics and has been satisfied with the work. Most recently in respect of the Leeds Core Strategy Examination where the consultants both undertook technical work and appeared at the Examination to explain and justify the work. The LCR commission in Autumn 2013 and the

first two phases of this work were also well received and endorsed by the LCR Planning Portfolios Board; LCR Chief Executives Group; and the LCR Heads of Planning Group.

#### **4.4 Resources and Value for Money**

- 4.4.1 As noted above, it is considered that the additional fee proposed of £31,000 for the additional work is good value for money. Individual authorities will be covering the cost of the extended phase 3 work and have made funds available. Commissioning as a Partnership represents good value for money as savings are being made through the joint commissioning of this research.

#### **4.5 Legal Implications, Access to Information and Call In**

- 4.5.1 The Chief Procurement Officer has advised that this invocation report is required to meet the Council's obligations of transparency and openness and therefore this is a matter properly falling within Contracts Procedure Rules No 8.1 and 8.2 - intermediate value procurements. There are no other legal provisions requiring a further competition exercise to be undertaken.

#### **4.6 Risk Management**

- 4.6.1 The budgets are in place to fund work and the staff resources within the LCR Secretariat are in place to continue to manage the consultants. The cost sharing arrangements for the third stage of the work is an approach that has been used successfully before to fund joint work overseen by the LCR Heads of Planning.
- 4.6.2 The LCR Heads of Planning will act as the wider steering group for the third stage of the project and will have the opportunity to comment on the work being undertaken and the performance of the consultants. The third stage of the work will be overseen by the City Region Partnership.

### **5 Conclusions**

- 5.1 The technical analysis that is the subject of this Waiver is urgently needed; the consultants to be invited to do the work have the capabilities to do it; and there are the budgets in place to fund the work. It is considered that the proposal offers value for money and can be delivered in a timely manner as is required.

### **6 Recommendations**

- 6.1 The LEP Director / Head of Economic Strategy is recommended to approve the waiver of the following Contracts Procedure Rules No 8.1 and 8.2 - intermediate value procurements.

### **7 Background documents**

- 7.1 None