

**Report of City Development**

**Report to Director of Environment & Housing**

**Date: 29<sup>th</sup> January 2015**

**Subject: Procurement of new council homes on the former Squinting Cat Public House site, Swarcliffe, within the New Build Council Housing Growth Programme, via the YORbuild Framework**

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Crossgates and Whinmoor		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

**Summary of main issues**

The site at the former Squinting Cat Public House is the third new build site to be developed under the Council Housing Growth programme. The total estimated scheme cost for the scheme at RIBA Stage D (interim) is £2,428,330. The Council has been successful in securing £396,000 (£22k per unit) of grant funding from the Homes and Communities Agency (HCA) towards delivering the scheme.

A single stage procurement route via the YORbuild Framework is recommended as the most appropriate procurement route for the Squinting Cat scheme, subject to a formal approval via a DDN to enable a start on site in April 2015.

**Recommendations**

It is recommended that the Director of Environment and Housing approves the decision to procure a contractor via a Design and Build single stage competitive tender using the YORbuild framework for the construction of new council homes at the former Squinting Cat Public House site, Swarcliffe.

## **1 Purpose of this report**

The purpose of this report is to seek approval to procure the development of new council homes at the site of the former Squinting Cat Public House, via the YORbuild framework. In line with Contract Procedure Rules (CPR) 3.1.8, a decision to undertake procurement should be taken at the point the procurement route is chosen. The approval of the Director of Environment and Housing is required to enable procurement to progress in line with the proposals set out within this report.

## **2 Background information**

- 2.1 Executive Board approvals on 9<sup>th</sup> January and 17<sup>th</sup> July 2013 saw the commencement of an investment programme to deliver additional Council homes across the city via a number of delivery routes.
- 2.2 The detailed development of the investment programme was delegated by Executive Board to the Directors of City Development (in respect of land use) and Environment and Housing (in respect of programme and scheme details and cost).
- 2.3 The Squinting Cat scheme is the third new build site to be developed under the Council Housing Growth Programme (CHGP). The total funding available for the CHGP as at 31<sup>st</sup> December 2014, is £81.37m. Overall authority to spend is £72.8m which includes £54.5m for the New Build programme which includes the delivery of the Squinting Cat scheme.
- 2.4 In respect of the first two new build sites to be delivered under the CHGP, a contractor has already been appointed for the East Park Road scheme; and procurement of the works contractor has commenced for the Extra Care Housing, Yeadon scheme. The YORbuild framework has been used for both procurements.
- 2.5 The Squinting Cat scheme is on the site of a former Public House, and was previously included within the Council's Derelict & Nuisance Properties Programme, established to tackle a number of unused and derelict properties across the city and in finding development solutions.
- 2.6 NPS Leeds are commissioned to develop the design to RIBA Stage D and produce tender documents to enable the procurement of a Design and Build Contractor.

## **3 Main issues**

### **3.1 Design Proposals:**

- 3.1.1 18 apartments (6 x 1 and 12 x 2 beds) will be delivered on the former Squinting Cat Public House Site.
- 3.1.2 NPS Leeds are currently developing a detailed specification document as part of the tender package which sets out the standards and quality requirements to be met by the contractor for this scheme, including: Homes and Community Agency

(HCA) Design and Quality indicators; Lifetime Homes and Neighbourhoods for Living standards.

- 3.1.3 As with the East Park Road development, to support future flexibility, the 1 bedroomed units have been designed to a large footprint to enable conversion to 2 bed units in the future.
- 3.1.4 To meet local demand the scheme has been designed to meet the needs of older persons including provision for wet floor bathrooms and the ability to store mobility scooters within the apartments if required. In designing the units to meet the needs of older persons, it is anticipated that larger accommodation will be released and made available to families on the housing register.
- 3.1.5 As with other sites within the CHGP, the Squinting Cat scheme has been developed in line with the principles of the developing Leeds Standard. This includes designing to a fabric first approach and utilising solar gain to deliver units which are highly energy efficient and will reduce running and heating costs for tenants.

### 3.2 Programme

The planning application was submitted on 14<sup>th</sup> November 2014, and the project team are currently working to the following programme to enable start on site in April 2015:

- Approval to procure via YORbuild – January 2015
- Out to tender – January/February 2015
- Planning decision – February 2015
- Evaluation of Tenders – March 2015
- Award contract – April 2015
- Start on site – April 2015
- Scheme completion – April/May 2016

### 3.3 Procurement Route

- 3.3.1 At its meeting of the 24<sup>th</sup> November 2014, the Council Housing Growth Programme Board considered a paper on the procurement strategy for the CHGP. Due to the amount of design work that has already been undertaken on the Squinting Cat scheme, and the commitment made by LCC to the HCA and local expectations for a start on site in April 2015, a single procurement approach via the YORbuild framework was recommended for this scheme.
- 3.3.2 YORbuild is the Council's default framework for new build work and meets the needs of this procurement. The use of the YORbuild framework is deemed the most efficient method of procurement in terms of timescales and resources.
- 3.3.3 YORbuild provides a procurement route for public sector bodies within the Yorkshire and Humber region and provides added value from bespoke Employment and Skills plans, and use of regional contractors and supply chains.

- 3.3.4 Expressions of Interest (EOI) are being invited, five contractors on the West Lot of the YORbuild Framework have confirmed their interest in the scheme to date and further dialogue will be undertaken with these contractors to ensure there is a robust tender list in place. Instead of holding an open Bidders' Day, this is an opportunity to engage with contractors on a one to one basis prior to releasing the tender.
- 3.3.5 The YORBuild Framework is split by geographical areas and the EOI exercise included those contractors on the West Lot of the YORbuild Framework with the financial capacity to undertake the scheme. Concerns have been raised that including only the West Lot may limit the number of contractors available to bid for new build schemes under the CHGP. As a result, PPPU are looking at the feasibility of extending the EOI to other lots within the framework, and the impact of doing so on the current procurement timetable for the Squinting Cat.
- 3.3.6 A single stage competitive tender via the YORbuild framework is recommended as the preferred option for procurement of construction of new council homes at the former Squinting Cat scheme.

#### 3.4 Procurement Evaluation Criteria

- 3.4.1 A Quality Evaluation Criteria assessment is being developed by the Project Team in conjunction with PPPU. The evaluation criteria are based on the YORbuild template. In accordance with the CPR's the evaluation criteria for use in for the evaluation of tenders for the Squinting Cat will be approved by the appropriate Chief Officer prior to going out to tender
- 3.4.2 A price/quality ratio of 60% Price/40% Quality is proposed.

### **4 Corporate Considerations**

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

- 4.1.1 The Deputy Leader and Executive Member for Neighbourhoods, Planning and Support Services receive briefing updates on the scheme.
- 4.1.2 Local ward members have been briefed on scheme proposals at The Squinting Cat, and were briefed most recently on 31<sup>st</sup> October 2014, and were supportive of the scheme. Local Ward Members and the local community were consulted via a drop in session held at a venue close to the site (15<sup>th</sup> May 2014) on the scheme proposals, prior to a planning submission in early November 2014.

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

- 4.2.1 An equality screening has been undertaken for the Squinting Cat scheme. The main outcomes of the screening were that the delivery of affordable housing through this programme will have positive implications for equality groups' in particular older people and will promote wellbeing and inclusion.

#### **4.3 Council policies and City Priorities**

4.3.1 The development of new council housing will address priorities within the City Priority Plan to provide additional affordable housing and to support housing growth.

4.3.2 The site was previously included within the Council's Derelict & Nuisance Properties Programme, and developing the site for new council homes will provide a long lasting development solution with positive benefits to the local community.

#### **4.4 Resources and value for money.**

4.4.1 The total funding available for the CHGP as at 31<sup>st</sup> December 2014, is £81.37m. Overall authority to spend is £72.8m which includes £54.5m for the New Build programme which includes the delivery of the Squinting Cat scheme.

4.4.2 The total estimated scheme cost for the scheme at RIBA Stage D (interim) is £2,428,330 which is currently being refined by NPS, prior to going out to tender.

4.4.3 The programme and budget is managed through the Housing Growth Team in conjunction with Corporate Resources and Environment and Housing Teams.

4.4.4 The most appropriate post contract services for this scheme will be commissioned by LCC which will include cost control and contract management.

#### **4.5 Revenue Effects**

4.5.1 There are no revenue implications associated with this report.

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

4.6.1 There are no known legal implications associated with this report.

#### **4.7 Risk Management**

4.7.1 The delivery of the CHGP is managed by a dedicated Project Team. A construction risk workshop for the first schemes to be developed under the Programme was facilitated by PPU, 3rd June 2014. The risk register for the Squinting Cat is reviewed regularly at Project Meetings, any high or very high risks are reported to Programme Board in order to mitigate these risks. The contractor will also be required to produce a risk register and to demonstrate how they will manage any risks associated with delivery of the scheme as part of their tender submission.

4.7.2 The utilisation of a Design and Build contract rather than a traditional contract will ensure the design risk is passed to the contractor, whilst ensuring quality of outcomes and value for money through a cost and quality tender process.

4.7.3 As set out in 3.3.4 further dialogue will be undertaken with contractors prior to going out to tender to ensure that they have a good understanding of key project drivers and outcomes being sought by this scheme as well as ensuring awareness of existing site constraints to enable them to appropriately cost these within a bid submission.

- 4.7.4 A contract management plan will be established with PPPU to manage the delivery of the build programme.

#### **4 Conclusions**

The framework has been selected as the most suitable procurement route as there is experience within the Council of utilising the YORbuild framework, it will also enable the procurement of the scheme within the timescales required which is key to the delivery of this scheme, particularly given the timescale for a start on site in April 2015.

An initial EOI exercise to those has confirmed that there is sufficient interest (from five contractors) in tendering for the scheme.

This report therefore seeks approval to use the YORbuild framework as the procurement route for the construction of new council homes at the site of the former Squinting Cat Public House, at Swarcliffe in line with Contract Procedure Rules.

#### **5 Recommendations**

- 5.1 It is recommended that the Director of Environment and Housing approves the decision to procure a contractor via a Design and Build single stage competitive tender using the YORbuild framework for the construction of new council homes at the former Squinting Cat Public House site, Swarcliffe.

#### **6 Background documents<sup>1</sup>**

- 6.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.