

**Report of: Head of Regeneration**

**Report to: Chief Officer, Economy and Regeneration**

**Date: 10/07/2017**

**Subject: Design and Cost Report for land remediation work to four sites. Sites A, B and C on Bath Road and site D on Sweet Street West in Holbeck, South Bank.**

**Capital Scheme Number: 32567**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): City and Hunslet	<input checked="" type="checkbox"/> Yes	<input 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? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Council owns four plots of land at Bath Road and Sweet Street West in Holbeck, South Bank, to the rear of Temple Works, (Sites A, B, C and D on the accompanying site plan).
2. Environmentally, the sites are in poor condition, with over grown vegetation, and ongoing issues with fly tipping. The sites are arguably in the worst environmental condition of any in the South Bank, this in the context of the Council encouraging other land owners to tidy their sites and invest in e temporary uses.
3. The plots are contaminated and a £575k loan from the West Yorkshire Combined Authority (WYCA) has been secured to remediate the sites in order to accelerate the delivery of residential use on the sites.

**Recommendations**

4. The Chief Officer Economy and Regeneration is recommended to:-
  - i) Approve Authority to Spend of £575,000 from capital scheme 32567/000/000 for the proposed remediation of all four sites to residential standard.

ii) Note the steps required to implement the decision as detailed in paragraph 3.2 of this report and note that the Head of Regeneration, will be responsible for implementing this decision.

iii) Note the proposed timescales in paragraph 3.3 of this report.

## **1 Purpose of this report**

1.1 To advise the Chief Officer Economy and Regeneration of the progress being made on remediation works to decontaminate four sites on Bath Road in Holbeck.

1.2 To seek the Chief Officer Economy and Regeneration's authority to incur expenditure up to £575,000 for carrying out site remediation work to all four sites from scheme capital scheme no 32567/000/000.

## **2 Background information**

2.1 In July 2016 the Council's Executive Board agreed to inject a loan of £575,000 provided by the West Yorkshire Combined Authority (WYCA) into the Capital Programme to carry out land remediation works to four sites in Holbeck, as part of the South Bank regeneration proposals.

2.2 Environmentally, the sites are in poor condition, with over grown vegetation, and ongoing issues with fly tipping.

## **3 Main issues**

3.1 The Council owns four plots of land at Bath Road and Sweet Street West in Holbeck, South Bank, to the rear of Temple Works, facility (Sites A, B, C and D on the accompanying site plan). In accordance with Contract Procedure Rule 3.1.8 is it proposed to use an Approved Framework Agreement to deliver these works in the absence of a suitable in-house provider.

3.2 Following advice from the Procurement Unit it is proposed to appoint a suitable contractor from the government approved list *Constructionline* on the basis of a detailed specification setting out the Council's requirements (including planning permission). The design, procurement and contract management will be carried out by Engineering Services

3.3 An indicative programme for the works appears below;

- Planning Application Submission 14<sup>th</sup> July 2017
- Tender out – 17<sup>th</sup> July 2017
- Tender return – 4<sup>th</sup> August 2017
- Start on site – 2<sup>nd</sup> October 2017
- Completion – 15<sup>th</sup> December 2017

## **4 Corporate Considerations**

## **4.1 Consultation and Engagement**

- 4.1.1 The Executive Member for Regeneration, Transport and Planning, has been consulted and is supportive of the recommendations detailed in this report. Ward members have been informed of the proposals.
- 4.1.2 Officers from Resources have been consulted and confirm the budgetary provision contained in this report
- 4.1.3 Officers from PPPU/PU have been consulted and support the procurement approach recommended in this report.

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

- 4.2.1 An equality screening exercise has been undertaken and a completed screening form is attached as appendix 1 to this report.
- 4.2.2 The outcome of the screening was that a full equality impact assessment was not required for the approvals requested in this report. This is a land remediation project which has no direct impact on council services, access, public services, or working conditions for staff. As such there are no implications for equality issues.

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

- 4.3.1 The work described in this report contributes to the Best Council Plan 2013-2017, and in particular the objective of promoting sustainable and inclusive economic growth, by boosting the local economy and providing housing as the city grows.

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

- 4.4.1 The estimated costs of £575,000 are fully funded by a loan from WYCA. These funds are provided for in Capital Scheme No 32567/000/000.
- 4.4.2 The remediation is funded by a loan by the West Yorkshire Combined Authority. The condition of the loan agreement are that the Council would repay the loan upon completion of the development at the Bath Road site and the Council receiving a capital receipt through the sale of Bath Road. The loan would be repaid by top slicing any moneys received through the sale of Bath Road.
- 4.4.3 The works represent value for money as they can be fully funded by the loan from WYCA and no additional Council funds are required. Awarding the contract based on a 60% cost and 40% quality evaluation will allow for value for money as the lowest priced compliant tender will be awarded the contract.

### **4.4.4 Capital Funding and Cash Flow.**

<b>Funding Approval :</b>	<b>Capital Section Reference Number :-</b>						
<b>Previous total Authority to Spend on this scheme</b>	<b>TOTAL</b>	<b>TO MARCH</b>	<b>FORECAST</b>				
			<b>2017</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Authority to Spend required for this Approval</b>	<b>TOTAL</b>	<b>TO MARCH</b>	<b>FORECAST</b>				
	<b>£000's</b>	<b>2017</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021 on</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
LAND (1)	0.0						
CONSTRUCTION (3)	472.6		472.6				
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	102.4	102.4	0.0				
<b>TOTALS</b>	<b>575.0</b>	<b>102.4</b>	<b>472.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total overall Funding (As per latest Capital Programme)</b>	<b>TOTAL</b>	<b>TO MARCH</b>	<b>FORECAST</b>				
	<b>£000's</b>	<b>2017</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021 on</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
LCC Supported Borrowing (WYCA)	575.0	102.4	472.6				
Total Funding	575.0	102.4	472.6	0.0	0.0	0.0	0.0
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Legal Implications, Access to Information and Call In

- 4.4.1 The decisions recommended in this report are classed as Significant Operational Decisions under the provisions of the constitution articles 13.4.b and 13.5.b as this is a consequence of a previous key decision by Executive Board in July 2016. In addition the works are fully externally funded via a loan from WYCA and therefore classed as category C capital works under financial regulations. As such this report is not subject to call-in.
- 4.4.2 Discussions have been held with planning officers who advise that as the project is for site remediation work which involves a large volume of earth works removal and replacement Planning Approval is required. A planning application for the proposed works has been submitted by Engineering Services.

## 4.5 Risk Management

- 4.5.1 There is a risk that the tenders exceed the available budget. This is mitigated by the fact that the budget estimate of £506,854 is based on a full site investigation report and contamination survey and includes contingency provisions.

4.5.2 The contract will be managed by the Engineering Services who will ensure appropriate risk management procedures are in place both before works start on site, and during the contract period.

## **5 Conclusions**

5.1 Approval of the recommendations contained in this report will enable remediation works to the sites to be carried out.

## **6 Recommendations**

6.1 The Chief Officer Economy and Regeneration is recommended to:-

i) Approve Authority to Spend of £575,000 from capital scheme 32567/000/000 for the proposed remediation of all four sites to residential standard.

ii) Note the steps required to implement the decision as detailed in paragraph 3.2 of this report and note that the Head of Regeneration, will be responsible for implementing this decision.

iii) Note the proposed timescales in paragraph 3.3 of this report.

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

7.1 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.

