

Authority to award a contract to Ove Arup & Partners Ltd to provide multidisciplinary expertise to undertake the Leeds Transformational Regeneration - Sheepscar, Mabgate and Eastside commission under the Council's Highways and Transportation Services Major Schemes Framework (DN429683).

Date: 22nd March 2024

Report of: Head of Regeneration

Report to: Chief Officer, Asset Management and Regeneration

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

1. The Council, in partnership with West Yorkshire Combined Authority (WYCA), Department for Levelling Up, Housing and Communities (DLUHC) and Homes England, has developed the 'Leeds Transformational Regeneration' (LTR) partnership focusing on the economic, social and physical growth of the city and in particular, accelerating new infrastructure, housing delivery and innovative funding strategies in six neighbourhood areas of Leeds City Centre. Two of these extend over the areas across Sheepscar, Mabgate and Eastside.
2. This commission will support the work of the Regeneration team on the LTR Programme for this eastern part of the city centre. The commission is funded by grant to the Council from DLUHC.
3. LTR is an extensive and fast paced programme, which is being driven by the Council but requires additional capacity and specific class-leading expertise in regeneration. The Council wishes to obtain the services of an external provider to ensure quality outputs for the programme that result in deliverable projects and investable propositions and to secure longer term sustained investment, in line with the aims of the Best Council Ambition and of the LTR partnership and its members. The report is therefore seeking to award a contract to Ove Arup & Partners Ltd (Arup) by calling-off from the Council's Highways and Transportation Services Major Schemes Framework (DN429683) for the provision of the outputs specified within the 'Scope of Services' for this commission (Exempt Appendix 1).
4. The Framework involved a competitive tender through the OJEU procedure. All activities relating to this procurement are being executed in accordance with the Public Contracts Regulations 2015 (PCRs) and the Council's Contract Procedure Rules (CPRs).
5. The Council has previously worked with Arup across projects in the Regeneration, Highways and Transportation Services and has a positive experience of working relationships and the

work produced – it is considered to be a class-leader in this area of work. Arup has embedded knowledge of the area through this prior work, something not replicable through a new appointment. Arup is also able to draw on international expertise from within its own business and through associate relationships with others to ensure the highest quality of new thinking and challenge can be brought to this work. This commission intends to build upon this, and subsequently the Council wishes to obtain these services to ensure quality outputs for the LTR programme to enable a regeneration plan that can secure longer term sustained investment in place.

Recommendations

The Chief Officer Asset Management & Regeneration is recommended to:

- a) Note the scope and programme of the commission as summarised below and detailed in the Exempt Appendices of the report.
- b) Approve the award of a contract to Ove Arup & Partners Ltd (Arup) by calling-off from the Council's Highways and Transportation Services Major Schemes Framework (DN429683) for regeneration services for the Leeds Transformational Regeneration Sheepscar, Mabgate and Eastside commission.
- c) To note the contract will target expiry on 31st December 2024 and the work will be instructed using an agreed scope of services, details of which are in the Exempt Appendices, with a fixed fee agreed of up to £150,000, to be funded through the Leeds Transformational Regeneration.

What is this report about?

- 1 This report is seeking authority to undertake a direct appointment of Arup to provide regeneration advice as specified in the Scope of Services, under the Council's Highways and Transportation Services Major Schemes Framework (DN429683).
- 2 The Council is delivering a programme of work to shape a ten-year vision and delivery framework to unlock growth and regeneration in the city. This work is focussed on the city centre and city rim neighbourhoods to bring forward economic growth and housing growth opportunities, transformation of the built-environment and taking a whole place approach to ensure the delivery of vibrant and liveable places that work for all the city's residents and businesses. This work will also be important in helping to shape the Local Plan Review 2040 and the identification of the key regeneration moves needed to affect sustainable and high-quality city centre growth.
- 3 Leeds City Council, in partnership with WYCA, DLUHC and Homes England (the government's national regeneration agency), has established the 'Leeds Transformational Regeneration' (LTR) partnership - this will focus on six neighbourhood areas, two of which cover the eastern half of the city centre edge from Sheepscar, through Mabgate and on to the 'Eastside' on the banks of the Aire. The partnership is seeking to develop regeneration plans across these neighbourhoods that will accelerate new infrastructure, housing delivery and unlock funding or finance to deliver the ambition to be the best city in the UK; one with a compassionate and strong economy.
- 4 Sheepscar, Mabgate and Eastside together comprise a strategically important area of Leeds forming a key gateway into the city-centre and spanning approximately 240ha. Comprising of a series of neighbourhoods which are home to a mix of communities – including those in Leeds City Council housing estates, heritage assets, businesses, key educational organisations and some of the city's major cultural organisations and venues including Leeds Playhouse, Northern Ballet, Leeds Conservatoire, BBC Yorkshire alongside an agglomeration of creative sector organisations in Mabgate. The area has a rich social history and legacy in the built environment.
- 5 The growth of the city centre in recent years has resulted in an increase in investment and developer interest in this eastern and northeastern edge. There are a range of markets across this area, however some parts remain fragile and unable to secure viable development, particularly where the continued impact of road infrastructure impacts on quality of place and resident/occupier experience. This impact is mirrored for those existing hard-pressed inner-city neighbourhoods located close by, which have a strong sense of social, economic and spatial disconnection from the city centre.
- 6 To help bring forward solutions, Leeds City Council will appoint the services of a multi-disciplinary team to undertake Sheepscar, Mabgate and Eastside LTR study, a detailed 'Scope of Services' for this commission is included at Exempt Appendix 1. The team will be urban design led and includes but is not limited to expertise in transport and infrastructure, environment and landscape, land and development planning, valuation and economics.
- 7 The Council will use the outputs from the LTR commission as a basis for driving and securing partnership interventions from across the public sector; for supporting collaboration with landowners, developers and investors; to shape planning policy; and to inform a wider joined up vision for city centre growth and regeneration, for engagement with community stakeholders, interest groups and central government and its agencies.

- 8 The Council does not have the full capacity or expertise to meet the requirements of the Sheepscar, Mabgate and Eastside LTR commission to deliver this work in-house.
- 9 It is recommended that an external organisation, with a track record in urban design and spatial strategy, is appointed to meet this need within the timescales required.
- 10 Arup has a proven track record of delivery, with local offices and proven understanding of the economic and market demands and opportunities of the city and thus is well positioned to set out place-based solutions to support economic growth, unlock new homes and mitigate market failure. It has demonstrated through prior commissions that it is highly capable of producing work to the required quality.
- 11 Arup is considered to be a class-leader in this area of work and is also able to draw on international expertise from within its own business and through associate relationships with others to ensure the highest quality of new thinking and challenge can be brought to the city. This commission intends to build upon this, and subsequently the Council wishes to obtain these services to ensure quality outputs for the LTR programme to enable a regeneration plan that can secure longer term sustained investment in place.
- 12 The Council has previously commissioned a highway study examining the majority of the Sheepscar, Mabgate and Eastside area - the Eastern Area Study – funded under the City Region Sustainable Transport Settlements (CRSTS) programme. Arup was appointed under the Council Highways and Transportation Services Major Schemes Framework (DN429683) to undertake this study. The Eastern Area Study set out a series of proposed interventions to the strategic highways network. Arup has therefore developed comprehensive and detailed knowledge and spatial expertise relating to Sheepscar, Mabgate and Eastside.
- 13 Now, Arup will be undertaking a further CRSTS funded Highway Study across Sheepscar, Mabgate and Eastside to expand on that work – this will be integral to developing the LTR 10 year vision. It should be noted the proposed Sheepscar, Mabgate and Eastside LTR commission has the same boundary as the planned highway study.
- 14 The proposed LTR commission has significant interdependencies with the planned Highway Study and the two pieces of work would have high value, efficiency and effectiveness if they took place concurrently. The LTR commission will rely on input and findings from the highway study, and the LTR commission will also contribute to shaping the highways outcomes, so that the commissions are symbiotic. Ideally the LTR consultant team would work very closely with the consultant team undertaking the Highway Study.
- 15 This lends significant weight to the proposal to appoint Arup to the LTR study. An integrated consultant team from within the same business will bring a clear and joined up understanding of the area's challenges and a golden thread connecting suggested interventions to an evidence base. It will offer significant efficiencies to both pieces of work including minimising risk, ensuring an integrated and holistic design solution and delivering time and cost benefits.
- 16 Awarding the contract to Arup is considered appropriate in order to assist in meeting the timeframes associated with the external funding – it is a condition of the government grant for this work, received

in late February, that the work is contracted within the current financial year. There is not sufficient time to carry out a full procurement exercise.

- 17 Calling-off from the Council's Highways and Transportation Services Major Schemes Framework (DN429683) represents best value for money where rates have been tested through a framework, which frontloads competition and negotiation as a compliant procurement process has been undertaken in setting up the framework.
- 18 Failure to adhere to the funding timescales may result in the funding being lost for the city, and the work not being undertaken to the quality required.
- 19 Awarding to Arup to provide regeneration advice as specified in the Scope of Services, can be done under the Council's Highways and Transportation Services Major Schemes Framework (DN429683).
- 20 Suppliers on the Framework (DN429683) were invited to submit a competitive tender for the Highways and Transportation Services Major Schemes Framework in response to both quality (70%) and price (30%) criteria. The submissions were then assessed to determine three preferred suppliers, one of which is Arup.
- 21 All activities relating to the procurement of the Highways and Transportation Services Major Schemes Framework were executed in accordance with the PCRs and the CPRs.
- 22 A fee proposal prepared by Arup is attached at Exempt Appendix 2 of this report. The fee proposal includes the details of the sub-consultants that will support the team in order to meet the expertise required for this commission. This includes a programme demonstrating how the team will meet the timescales required and a pricing schedule.

What impact will this proposal have?

- 23 This proposal will mean that the Council has access to the resources and expertise required to undertake the work and achieve the two key deliverables outlined in Exempt Appendix 1. This will be used by the Council to support collaboration and delivery and to maximise opportunities for regeneration by planning investment which makes a greater contribution to the city's social and economic objectives.
- 24 This commission will have a key interface with the Highways Study Sheepscar, Mabgate and Eastside commission and will influence and be informed by this emerging work. This work will also be an important input into the shaping of the Local Plan 2040 Review and the identification of the key regeneration moves needed to affect sustainable and inclusive city centre growth.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 25 This proposal will contribute towards achieving all three pillars of the Best City Ambition

- **Health and Wellbeing** – This commission will set out a range of spatial projects which will contribute towards improving the health and wellbeing of existing and future residents including promoting active travel, interventions to the highway network to reduce air pollution and enhancing green and blue infrastructure.
- **Inclusive Growth** – This commission will be informed by a robust socio-economic baseline analysis and will set out interventions which will identify opportunities to support the city's inclusive growth ambitions including physical and social inclusivity.
- **Zero Carbon** - This work will establish a range of projects which seek to improve environmental and social sustainability, including re-imagining the highway network, promote public transport and enhance active travel provision. Alongside this, the commission will identify opportunities to improve and enhance green infrastructure with specific opportunities relating to blue infrastructure and waterfront biodiversity.

What consultation and engagement has taken place?

Wards affected: Burmantofts & Richmond Hill, Little London & Woodhouse, Gipton & Harehills, Chapel Allerton and Hunslet & Riverside

Have ward members been consulted? Yes No

26 The Leader of the Council and Executive member for Sustainable Development and Infrastructure have received regular briefings and updates on the Leeds Transformational Regeneration proposals and are supportive of the approach.

27 Ward members have been briefed on the overall LTR programme and will be engaged in more detail as this work progresses, as with all relevant local stakeholders.

What are the resource implications?

28 The Regeneration Service will lead on the project and provide input to the project alongside colleagues from other Council departments, including Planning, Highways, Economic Development, Asset Management, Projects and Programmes and Land & Property.

29 Arup will be responsible for sub-contracting and managing the interface with the sub-consultants working on this project and therefore additional resource is not required by the Council for this.

30 The project will be funded through the LTR Programme which is funded by grant from DLUHC.

What are the key risks and how are they being managed?

31 A number of factors have been considered including:

- The funding is provided by central government and the project must meet the timescales required for spend. Approving the award to Arup from the framework will mean the Council and wider LTR partnership would have access to essential external skills and knowledge to progress the work to the timescales noted above. If not approved, the funding would be lost for the city.
- Given the fast-moving nature of this work, work not being delivered to the required quality also poses a risk to this work. This is being mitigated by defining clear and quality outputs from the outset. Regular reviews will be set in place throughout the commission and open communication with the project team and the client team will address any concerns promptly, with a clear link through to internal governance and assurance.
- There may not be sufficient internal capacity from the Council to resource, contract manage and client the work. To mitigate this, key personnel will be identified to resource this work and expected outputs and responsibilities will be communicated with the project and client team.

- There is a finite, externally funded, budget for the work. On this basis there cannot be overruns on the work which lead to additional fee. The consultant team will flag issues of this nature early and will work to a clear scope and set of outputs. Additional work will be identified and may form a separate scope at a later point.

What are the legal implications?

32 All activities relating to this procurement are being executed in accordance with the PCRs and the CPRs. The Council is proposing to award the contract to Arup based on the reasons outlined in this report.

33 The specification including cost options are exempt or confidential under the access to information rules detailed in the constitution. The appendices 1 and 2 are Exempt for the following reasons as outlined in the council's constitution part 4(f), at 10.4 (3) 'It is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed, due to information relating to the financial or business affairs of any particular person (including the authority holding that information).' The scope contains cost information, that is commercially sensitive, and would therefore disclose information relating to the commercial position of external organisations. The scope also includes confidential information relating to the business activities of LTR partners, which at this point in time are subject to non-disclosure agreement with the Council. For these reasons, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Options, timescales and measuring success

What other options were considered?

34 A number of other options were considered but rejected including:

- Option 1 – Carry out a new procurement exercise. This option was discounted as it was not an efficient use of resources given the codependents of other work in the locality and procurement options available.
- Option 2 – Internal production of the LTR Sheepscar, Mabgate and Eastside commission. This option was discounted due to insufficient internal capacity, resource and expertise to produce a framework within the timescales required.
- Option 3 - The 'do nothing' option was considered and rejected as this would not meet the Council's ambitions and the funding would be lost for the city.

How will success be measured?

35 Success will be measured on Arup completing all elements of the commission as set out in Exempt Appendix 1 to the required budget and within the agreed timescale.

What is the timetable and who will be responsible for implementation?

36 The initial contract duration is approximately 25 weeks followed by a period of stakeholder engagement undertaken by the Council (length of time to be determined). Following completion of the engagement, the consultant will be required to make any relevant amendments to the report.

37 The Head of Regeneration will be responsible for implementing the contract management.

Appendices

- **Exempt Appendix 1 – LTR Sheepscar, Mabgate and Eastside Scope of Services**

- **Exempt Appendix 2 – Fee Proposal**

Background papers

- None