

Report of: Director of Environment and Housing

Report to: Executive Board

Date: 21st October 2015

Subject: Re-location of Red Hall Horticultural Nursery to Whinmoor Grange

Capital Scheme Number: 32415/ 000 / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Crossgates and Whinmoor, Harewood	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
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 checked="" type="checkbox"/> Yes	<input 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

- In September 2013 Executive Board considered the business case for re-providing the Parks and Countryside services horticultural nursery and operation function from its existing base at Red Hall to Whinmoor Grange with the following being resolved;
 - That the use of land at Whinmoor Grange to develop a replacement horticultural nursery, be approved.
 - That commencement of the design and site layout of a circa 6 hectare horticultural nursery facility and ancillary facilities at Whinmoor Grange to RIBA Stage D, funded from existing budget provision (Capital Scheme 16442) indicating how this would relate to adjoining parts of the site, be approved.
 - That a further report be submitted to Executive Board in the form of a Design and Cost report, outlining the processes involved in progressing the development of a horticultural nursery at Whinmoor Grange along with further detail on funding.

2. The Design has now been completed to RIBA Stage C. The total cost of the development of the horticultural nursery at Whinmoor Grange is estimated at £6m, inclusive of fees. This is broken down between external works (£1.6m), glasshouse construction (£4m), and fees (£400k). In addition a further £500k is required to review depot facilities and fund the relocation of current Red Hall based Parks and Countryside operational activities to other existing Council sites.
3. In accordance with CPR 3.1.4 it is proposed that the external works will be carried out by P&C as in-service providers for a fixed sum of £1.6m.
4. Following procurement workshops it is proposed, due to the specialist nature of the facility and in order to obtain greater cost certainty, to procure a specialist glass-house supply and installation company to complete the design of, and build, the glass-house for a fixed price sum of £4m.
5. In accordance with the Council's Contract Procedure Rules (CPR) 3.1.8 the report requests that Executive Board approve the use of a single stage develop and construct procurement route, via an open non-EU procurement, for the procurement of a specialist contractor to undertake the proposed construction of a Glass House with ancillary facilities for a Horticultural Nursery at Whinmoor Grange. The report also proposes that the evaluation model will be based on 70% of marks for the lowest compliant cost and 30% of marks on quality criteria. In accordance with CPR 15.2 detailed quality evaluation criteria will be issued for approval by the Chief Officer Parks and Countryside prior to the issue of invitations to tender.
6. Members should note that a planning application was submitted on 22nd July with determination due at Plans Panel on 29th October. The period for comments has now expired, and no adverse comments have been received from the public or Ward Members.

Recommendations

7. Executive Board is requested to;
 - i) Approve an injection of £6.5m into capital scheme 32415/000/000;
 - ii) Approve expenditure of up to £6.5m to design and build a replacement horticultural nursery for LCC Parks and Countryside at Whinmoor Grange and re-locate other services from the existing Red Hall depot subject to planning approval and the Local Growth Fund loan agreement.

- iii) Approve in accordance with CPR 3.1.8, the selection of a single stage develop and construct procurement approach via an open non-EU procurement to obtain a specialist contractor to undertake the proposed construction of a horticultural nursery glasshouse at Whinmoor Grange, and the evaluation criteria of 70% of marks for the lowest compliant cost and 30% of marks for quality criteria.
- iv) Approve the current designs (appendix 1) and costs for Whinmoor Grange nursery, subject to planning approval.
- v) That the Chief Officer Parks and Countryside will be responsible for implementing the recommendations within this report and ensure that the Parks and Countryside service vacate the Red Hall site by the end of 2016.

1 Purpose of this report

- 1.1 To advise members of the latest designs and costs relating to the re-location of the Parks and Countryside horticultural nursery from Red Hall depot to Whinmoor Grange, and the re-location of other Parks and Countryside operational and depot services currently based at Red Hall.
- 1.2 To seek an injection of £6.5m into capital scheme 32415/000/000 and authority to spend that amount on the construction of a horticultural nursery at Whinmoor Grange as a replacement for the existing nursery at the Red Hall estate which is earmarked for disposal, and also to fund the relocation of other operational services currently housed at Red Hall.

2 Background information

- 2.1 The Red Hall site covers around 29 hectares and is located between the Outer North Ring Road and A58 Wetherby Road. The majority of the land is in Council ownership comprising operational Parks & Countryside facilities (17ha) and playing fields and open space (11ha), though the original Red Hall House and stables (1ha) are owned and occupied by the Rugby Football League as its headquarters.
- 2.2 The Red Hall site as a whole is one of the Council's most significant and valuable strategic land holdings due to its size and location on the northern fringe of the built up area of Leeds and its allocation in the Local Development Framework for development. There is the potential for a significant capital receipt from its sale, in support of the Council's financial plan.
- 2.3 A further report on this agenda, East Leeds Extension Update & Next Steps, provides Executive Board with an update on progress in planning for the delivery of major housing growth and infrastructure investment in the East Leeds Extension including proposals for the development of Red Hall. This additional report highlights the progress made in establishing a planning brief for the Red Hall site and the need for public consultation. It is highlighted that the Red Hall site could provide for;
 - Up to 400 dwellings;
 - The retention and funding of green space on site in the form of at least two playing pitches, with options on how and where these could be located on site;
 - The existing Listed Buildings – protection of their setting and views as well as maintaining the operational function of the majority of these as they form the headquarters of the Rugby Football League;
 - Retaining Public Right of Way links to the countryside and new links to Roundhay Park.
- 2.4 Furthermore the report seeks approval for a strategy for marketing and disposal of the Red Hall site, central to which is the need for the Parks and Countryside service to vacate the site. In order to facilitate the release of council owned land at Red Hall estate for the proposed East Leeds Extension and East Leeds Orbital Road (ELE/ELOR) a number of preparatory tasks were approved by Executive Board in May

2012. These included the refurbishment of Farnley Hall Coach House to allow re-location of staff from Red Hall which was completed in December 2013, surveys at Whinmoor Grange and Red Hall, design work on Whinmoor and associated fees.

- 2.5 Moving on from the above, on 4th September 2013 Executive Board approved the use of Whinmoor Grange to provide a replacement horticultural nursery to facilitate the disposal of the Red Hall estate and approved the progression of designs and costs to RIBA Stage D.
- 2.6 As previously highlighted to Executive Board, the horticultural nursery provides a broad range of positive outputs including city wide support for the development of volunteering and community engagement focussed activities, acting as a centre for horticulture excellence and training along with the provision of two million bedding plants and approximately 250,000 edibles per year. The volume and variety of supply required to maintain existing provision which is spread across a geographically dispersed city, supports the business case for continuing to grow produce in house as it is neither economic nor possible to buy produce in.
- 2.7 During recent years the nursery has been successful in developing an enterprising culture and has proactively sought out opportunities to generate income. Examples include the establishment of an on-site retail offer stocking surplus produce and the development of floral sponsorship opportunities which generate a combined income per annum of in excess of £400k.
- 2.8 In addition to enterprise, the nursery has a vital role in assisting the Parks & Countryside service in engaging with community groups and other third sector organisations along with providing a valuable resource in support learning and development opportunities. In recent years there has been substantial growth in volunteer participation across the service, with volunteer activity across parks and greenspaces equating to approximately 109 full time equivalent staff. This development of volunteer activity and opportunities has been supported by the continued growth of 'in bloom' groups across the city. The nursery plays an important role in sustaining the 'in bloom' initiative which has social, economic, environmental and transformational benefits.
- 2.9 The nursery is also a valuable learning resource and plays a central role in the development in each of the 30 new horticultural apprentices engaged by the service in the last 2 years. In addition the horticultural nursery at Red Hall has successfully developed and supported numerous pathways into work opportunities including the following;
 - The establishment of an enhancement team to support with nursery operations and incoming generating extra work. The team includes former employees from Roseville Enterprises and therefore continues to provide opportunities for supported employment of vulnerable adults.
 - Supporting the RHS in delivering applied learning techniques for children with special education needs with an interest in horticulture.
- 2.10 The additional benefits of a new nursery include the following:

- Opportunities to generate further income through purpose built plant retail and visitor facilities;
- Enhanced sponsorship opportunities in community parks;
- Create opportunities for cross council trading by maintaining current production capacity, on a site that is significantly smaller in footprint;
- Establish the horticultural nursery as a key centre for apprentices and learning.
- The continued provision and support of pathways into work opportunities.

3 Main issues

3.1 Design Proposals and Full Scheme Description.

3.2 The design and function of the current horticultural nursery at Red Hall is inefficient both from a production perspective and in terms of land use. The present nursery production area links six polythene tunnels via a conveyor system running for approximately a quarter of a mile. The full production area includes 2 acres of glass in 15 separate glass houses and 4.5 acres of covered tunnels. Standing grounds and open ground planting areas account for a further 3.5 acres.

3.3 The proposals outlined in this report highlight a new facility that is more efficient in design, accessibility and production and will achieve the same level of production on a much smaller covered footprint of 4.3 acres, 2.2 acres less than the existing growing area at Red Hall.

3.4 The design proposals for Whinmoor Grange will provide for;

- A horticultural nursery glass-house, including sowing and germination room, potting line and storage, and a rain water harvesting system.
- Vehicle access from Thorner Lane.
- Office and welfare facilities for site staff.
- Small horticultural retail areas for sale of surplus plant material.
- Parking for staff, visitors and public.
- Outdoor storage areas.
- A sustainable urban drainage system based on external water attenuation ponds.

3.5 The proposed construction is a specialist built modular system that integrates all of the internal activities into a single building envelope. This will allow more efficient production systems in a smaller space than can be achieved at the current Red Hall nursery.

3.6 It is proposed that ground works and provision of service connections will be managed by an in-service provider, Parks and Countryside, commencing in November, subject to final approvals to secure a Local Growth Fund loan from the Leeds City Region Local Enterprise Partnership. Procurement of a specialist glasshouse provider on a design and build basis will be undertaken by the Council in

parallel with the commencement of work on site. The specialist glasshouse construction should be able to commence on site in March 2016, with completion anticipated in autumn 2016.

- 3.7 In parallel with the programme of work at Whinmoor, plans will also be developed to expand and grow existing depot facilities to accommodate area based operational staff that will need to decant from Red Hall prior to the end of 2016. Separate decision and approvals will be brought forward for this process as necessary and where required. To support the delivery of this holistic programme of work, the Parks and Countryside service are in the process of establishing a new post with responsibility for overseeing this transition.

3.8 Programme –

- 3.8.1 The high level programme appears below;

October 21st 2015 – Executive Board DCR/ATS approval

October 29th 2015– Planning approval

November 2015 – Local Growth Fund loan agreement

November 2015 – External works by in-service provider commence

November 2015 – Glasshouse tender invitations issued

January 2016 – Glasshouse contractor appointed

March 2016 - External works to building footprint and access road completed

March 2016 – Glasshouse construction commences on site

November 2016 – Completion

December 2016 – Parks and Countryside decant complete

3.9 Procurement

- 3.9.1 A number of meetings and workshops were held to discuss the preferred procurement options, the meetings were attended by officers from Parks and Countryside, Asset Management, Projects Programmes & Procurement Unit, and representatives from the Council's design partner NPS Leeds.
- 3.9.2 The agreed outcome was that the project naturally falls into two distinct elements, the first being the external preparatory works, the second the design and construction of the glasshouse.
- 3.9.3 The external works fall within the provisions of Contract Procedures Rules (CPR) 3.1.4 in that an internal service provider (ISP) exists and has confirmed that they can carry out the works, the ISP in this case being the Parks and Countryside service.

- 3.9.4 The design of the glasshouse is a specialised field with a small number of suitably experienced and skilled companies in the market. Accordingly in the interest of placing the design and associated risk with the party best able to manage that risk it is proposed to seek early involvement of a specialist contractor on a design and build basis. This also has the benefit of achieving greater cost certainty than delaying procurement until a fully designed scheme is available.
- 3.9.5 This report seeks Executive Board approval of the procurement route in accordance with CPR 3.1.8 for the selection of a single stage develop and construct approach via an open non-EU procurement to obtain a specialist contractor to undertake the proposed construction of a horticultural nursery and ancillary facilities at Whinmoor Grange, and the evaluation criteria of 70% of marks awarded for the lowest compliant cost and 30% of marks on the basis of quality criteria. Approval of the specific evaluation criteria will be requested in line with CPR 15.2 prior to tender issue.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Harewood along with Crossgates and Whinmoor ward members have been consulted on the proposals for the new horticultural nursery at Whinmoor Grange and no adverse comments have been received.
- 4.1.2 As part of the planning process, members of the public had the opportunity to comment on the proposals and no adverse comments were received during the consultation period. This process was supplemented by undertaking a two week period of consultation using the council's online consultation platform Talking Point; again no adverse comments were received.
- 4.1.3 In addition, a display highlighting proposals for the new nursery development has been in situ at the existing Red Hall facility prior to the submission of the planning application and throughout the application determination period. Average daily transactions at this facility are approximately 40 to 50 per day and all customers were able to view proposals and comment should they wish.
- 4.1.4 Furthermore, local Parish Councils, including Barwick and Scholes and Thorne, were contacted and invited to an open day to view plans and discuss proposals with officers.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Due consideration has been given to the needs of minority groups, as required under equality legislation, in the formation of the design to this point. Consideration has been given to ensuring that the facility is fully accessible through the design process.
- 4.2.2 A screening document has been prepared and an independent impact assessment has been completed for the approvals requested. The full document is available in the appendices of this report, but the main issues are as follows :-

- Ensure through the design process that the facility is fully accessible;
- Develop local staff engagement processes to communicate changes to working arrangements;
- Positive benefits associated with significant work streams being undertaken by Leeds City Council Staff, and the opportunities to support with staff development.

4.3 Council policies and the Best Council Plan

- 4.3.1 The proposals contained in this report contribute to the Best Council Plan 2015/16 objective of becoming a more efficient and enterprising council through the creation of fit-for-purpose bespoke operational facilities that will offer significant efficiencies in the delivery of the Parks and Countryside service.
- 4.3.2 Delivery of the Whinmoor Grange scheme will also contribute to the objective of promoting sustainable and inclusive economic growth, by facilitating the release of land at the Red Hall estate for use in housing and transport infrastructure improvements through the East Leeds Extension and East Leeds Orbital Road proposals.

4.4 Resources and value for money

- 4.4.1 The full scheme costs are estimated at £6.5m broken down as below;

Glasshouse construction - £4m

External works by in-service provider £1.6m

Fees and other costs - £400k

Review and re-location of other P&C services from Red Hall to other sites - £500k

- 4.4.2 It should be noted that preparatory works at Whinmoor Grange are the subject of a provisional Local Growth Fund (LGF) loan approval from the Leeds City Region Local Enterprise Partnership (LEP) for £2m at 0% interest. The loan will fund all of the external works being carried out by Parks and Countryside as internal service provider, the demolition of an existing shed at Whinmoor, (to be carried out under a separate authorisation) and elements of the glasshouse contractors works. The conditions of the loan will require the Council to draw down in the current financial year and to demonstrate commencement of works by April 2016.
- 4.4.3 The Deputy Chief Executive can approve the terms of the LGF loan as negotiated between the Council and LEP under existing delegations. It is intended to accept the loan and complete the related agreement, subject to Executive Board's consideration of the related matters set out in this report.
- 4.4.4 The balance of the costs will be met through unsupported prudential borrowing, with the principal and interest costs to be repaid through the capital receipt to be secured from future sale of land at Red Hall. The same capital receipt will be required to repay the 0% LGF loan.

4.4.5 Capital Funding and Cash Flow.

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	5600.0		1000.0	4600.0			
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	300.0		150.0	150.0			
OTHER COSTS (6)& (7)	600.0		300.0	300.0			
TOTALS	6500.0	0.0	1450.0	5050.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2015 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
Capital Receipt	6500.0		1450.0	5050.0			
Total Funding	6500.0	0.0	1450.0	5050.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Number : 32415/000/000

4.4.6 Revenue Effects

4.4.7 Any revenue implications will be funded from within existing approved budgets.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The decisions requested in this report constitute a key decision and are therefore eligible for call-in.

4.6 Risk Management

4.6.1 There is a risk that the specialist contractors may not be able to deliver the full glasshouse proposals within the £4m limit. This has been mitigated by early identification of value engineering options, in addition the tender documentation will specify that the capped budget for the scheme is £4m and proposals must be provided which comply with this budget.

4.6.2 There is a risk of coordination issues arising between the ISP and the selected glass house contractor. This will be mitigated by use of a whole project approach and early involvement of the glasshouse contractor through the design and build procurement. In addition NPS will be retained throughout the project as technical advisors.

5 Conclusions

5.1 The proposals contained in this report will facilitate the release of Council land to allow construction of housing and transport infrastructure as part of the ELE/ELOR proposals.

5.2 In addition proposals contained within the report will lead to the enhancement and development of an improved and more efficient horticultural nursery that will allow

the a continuation of the positive outcomes associated with this area of service provision and the potential for growth in existing on site activities.

6 Recommendations

6.1 Executive Board is requested to;

- i) Approve an injection of £6.5m into capital scheme 32415/000/000
- ii) Approve expenditure of up to £6.5 to design and build a replacement horticultural nursery for LCC Parks and Countryside at Whinmoor Grange and re-locate other services from the existing Red Hall depot subject to planning approval and Local Growth Fund loan agreement.
- iii) Approve in accordance with CPR 3.1.8, the selection of a single stage develop and construct procurement approach via an open non-EU procurement to obtain a specialist contractor to undertake the proposed construction of a horticultural nursery glasshouse at Whinmoor Grange, and the evaluation criteria of 70% of marks for the lowest compliant cost and 30% of marks for quality criteria.
- iv) Approve the current designs (appendix 1) and costs for Whinmoor Grange nursery, subject to planning approval.
- v) That the Chief Officer Parks and Countryside will be responsible for implementing the recommendations within this report and ensure that the Parks and Countryside service vacate the Red Hall site by the end of 2016.

7. Background documents¹

None

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