

**Report of Housing Growth Team
Report to Director of Resources and Housing**

Date:

Subject: Council Housing Growth Programme: Commissioning of a Utility Service Survey and Early Commencement of Utility Re-direction and Disconnection Works and Enablement Works on the Beeches (Gipton) and Nevilles (Osmondthorpe) Sites.

Are specific electoral wards affected? If relevant, name(s) of ward(s): Gipton and Harehills, Temple Newsam	<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 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 type="checkbox"/> No

Summary of main issues

1. The Beeches (Gipton area) and Nevilles (Osmondthorpe area) schemes form part of a number of sites being developed under the Council Housing Growth Programme. These two schemes have been combined to be delivered through one procurement exercise. The start on site date for these works is estimated to be March 2019.
2. Willmott Partnership Homes Limited have been successful in the first stage of a two stage tender process and awarded a Design Services Agreement to work with The Housing Growth Team and NPS in order to further develop designs. It is anticipated that the start on site will be in March 2019, at which point an NEC4 construction contract will be entered into.
3. Whilst the Beeches and Nevilles sites are known to be on ground containing a high level of below ground utilities, the exact nature of the services are unknown. This has the potential to cause delays during the construction period of the project. In order to mitigate this risk, the Housing Growth Team wish to commission a Utility Services Survey to establish the full extent of the services and their capacity, including works to re-direct and remove affected utilities, and other associated enabling works.

Recommendations

It is recommended that Director of Resources and Housing approve the Housing Growth team to:

- a) commission a Utility Services Survey and associated re-direction and disconnection works
- b) commence a package of enabling works on the Beeches and Nevilles sites in November 2018
- c) enter into an early works agreement with Willmott Partnership Homes Limited for Utility Services Survey, re-direction and disconnection works, and enablement works. The contract period will be for a period of approximately 4 months and the overall value will be £670,000.

1. Purpose of this report

- 1.1. The purpose of this report is to seek approval to commission a Utility Services Survey to determine the below ground utility services on the Beeches and Nevilles sites and further to this, to commission and commence the utility re-directing works and enabling works at an earlier date, in order to mitigate the risk of delays when the contract is fully underway. The work will be awarded to Wilmott Partnerships Homes Limited through an Early Works Agreement.

2. Background information

- 2.1. The Council House Growth programme has total funding available of £109.3m. Since the initial injection into the capital programme in 2013/14 the CHGP has gained authority to spend of £69.5m through various Executive Board reports and delegated decisions by the Director of Resources and Housing. The current authority to spend on the new build and acquisition element of the programme is £55.2m which includes estimates for the new build on the Beeches and Nevilles.
- 2.2. The Beeches and Nevilles sites form part of a number of sites being developed under the Council Housing Growth Programme which was approved at Executive Board on 9th January and 17th July 2013. The Beeches and Nevilles project is the seventh new build site to be developed under the Council Housing Growth Programme. Three schemes (Railway Close, The Plantation and Wharfedale View) have been completed, the last units in three partnership bundled schemes (Broadleas, The Garnetts and Whinmoor) are due to be handed over by the end of November.
- 2.3. The Beeches forms part of a successful funding bid for a grant contribution from the Homes and Communities Agency's Affordable Homes Programme 2018-19.
- 2.4. The Beeches is made up of two adjacent sites, Beech Walk and Beech Mount in Gipton. The scheme is expected to deliver 27 new homes across the two sites. Two of the properties will be designed and built to the Building Regulations Part M M4(3) (Wheelchair Accessible Dwellings) standard. These properties are being built for families with accessibility needs and are being designed so that specialist equipment can be easily be installed to suit the specific needs of the families who will be identified during the construction phase of the project. All properties will have parking and private gardens. The mix of properties is set out below.

Property Type	Number of units	Notes
4 bed house	2	M4(2) Accessible and Adaptable Dwelling - General Needs
3 bed house	8	M4(2) Accessible and Adaptable Dwelling - General Needs
2 bed house	7	M4(2) Accessible and Adaptable Dwelling - General Needs
2 bed bungalow	4	M4(2) Accessible and Adaptable Dwelling - General Needs

1 bed bungalow	4	M4(2) Accessible and Adaptable Dwelling - General Needs
3 bed bungalow	1	Wheelchair accessible dwelling – Building Regulations Part M M4(3)
4 bed house	1	Wheelchair accessible dwelling – Building Regulations Part M M4(3)
Total	27	

- 2.5. The Nevilles is made up of three sites in Osmondthorpe. The scheme is expected to deliver 32 new homes across three sites. All properties will have parking and private gardens. The mix of properties is set out below.

Property Type	Number of units	Notes
3 bed house	19	M4(2) Accessible and Adaptable Dwelling - General Needs
2 bed house	5	M4(2) Accessible and Adaptable Dwelling - General Needs
2 bed bungalow	4	M4(2) Accessible and Adaptable Dwelling - General Needs
1 bed bungalow	4	M4(2) Accessible and Adaptable Dwelling - General Needs
Total	32	

- 2.6. Following the tender evaluation approval was granted by the Director of Resources and Housing to award Willmott Partnership Homes Limited the Design Services Agreement (DSA). The DSA set the terms for the design development period until the work starts on site.

3. Main considerations

- 3.1. Willmott Partnerships Homes Limited were appointed from Stage One of the Beeches and Nevilles procurement process. They have progressed to Stage Two under a Design Services Agreement with a view to award an NEC4 contract following a successful evaluation of their completed detailed designs. Willmott Partnerships Homes Limited are familiar with both sites and are therefore best placed to deliver these works.
- 3.2. Through initial site investigations which have been carried out, there are a significant amount of existing services under the ground. The extent of these services surpass of what could have been reasonably expected when the Design Services Agreement was entered into. One of the main challenges is in determining whether the services are live or redundant. This could have a detrimental impact on starting on site, as this would be a health and safety concern for any contractor who would be working on site. In order to fully understand which services are live, and which potentially need removing or redirecting, the project team will need to work with statutory service providers and carry out additional surveys and investigations.
- 3.3. An outline of the enabling works package is:

- Gas diversions and disconnection works – £100k
- Water disconnection – £60k
- Electric diversions /disconnections – £120k
- Telecommunication – removal/relocation/diversion of cabling and poles – £105k
- Street Lighting – relocation – £27k
- Drainage and sewer diversion works – £56k
- Site clearance and set up – £106k
- Timber frame structural designs - £17k
- Management and Overheads & Profit

3.4. If these works were to be programmed as initially planned, following award of the construction contract in January 2019, there would be potentially a five month delay in completion. By carrying out these enabling works as an early works package, the project is able to remain on the current programme with new houses scheduled to be handed over from March 2020.

Timber Frames

3.5. The properties to be delivered on the Beeches and Nevilles sites will be constructed using timber frames. The project team has identified a potential benefit to the programme and the overall delivery of the project by arranging for the technical designs to be commissioned from Willmott Partnership Homes' timber frame supplier.

By obtaining these designs earlier than originally programmed there are the following benefits:

1. There are more detailed designs produced by the timber frame supplier which can be utilised by the structural engineer who is assigned to the project. This means that the designs which are signed off after RIBA Stage 4 (Detailed Design) can be more robust, and less likely to need further amendment.
2. This 'reserves a spot' in the factories work schedule, meaning that the frames can be delivered quicker and removes the task from the critical path of the programme. This adds flexibility to the programme and supports best practice project management methodology.

4. Corporate considerations

4.1. Communication / Consultation

4.1.1. A communication plan has been developed for the project which outlines the process for consulting and engaging with key stakeholders. People in neighbouring properties will be consulted appropriately as will other local residents/stakeholders through the life of the project. Opportunities for involving

tenants and local tenant groups in the design development and detailed design process are being explored.

- 4.1.2. Regular updates on progress across the whole programme are presented at Council Housing Growth Programme Board.
- 4.1.3. To support the delivery of this scheme, the Housing Growth Team has engaged with local members at the following points in the scheme development / procurement process:
 - Design Development – Site specific briefings were arranged with the contractor's architect when the DSA was signed and prior to planning submission.
 - Contract Award – Briefings will be held to inform local members about the decision.
 - Construction Phase – Local members will be informed of the start on site date and briefed on progress regularly throughout the construction phase.
- 4.1.4. Pre-planning meetings were held with officers from Planning, Highways and building control prior to the submission of the planning application.
- 4.1.5. Local consultation events were arranged prior to submission of the planning applications.
- 4.1.6. The project team has briefed local ward members on the recommendations within this report; no adverse comments have been received. The project team will also brief the Executive Member for Communities prior to the commencement of these works on site. Correspondence will also be sent out to local residents to ensure that these key stakeholders are aware of the works and what they will entail.

4.2. Equality and Diversity / Cohesion and Integration

- 4.2.1. An Equality, Diversity, Cohesion and Integration screening was undertaken for the Council House Growth Programme and determined that the proposals have a positive impact in terms of Equality and Diversity and that a full assessment is not required.
- 4.2.2. The screening document was been updated for this scheme and sets out how the requirements of certain groups have been considered in the specification. The updated screening document is attached as Appendix 1.

4.3. Council Policies and Best Council Plan

- 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, and in contributing to the delivery of one of the Council's Breakthrough Projects, 'Housing Growth and Jobs'.

- 4.3.2. The construction of new homes will help to create training and employment opportunities within the local community. Social value requirements are included as part of the YORbuild2 requirements. In their response to Quality Question 7.1, bidders confirmed that they could meet the YORbuild2 employment and skills requirements for a scheme of this size and provided a methodology for meeting the requirements. The requirements include the following:
- 2 new apprentices
 - 1 graduate apprentice
 - Use of existing apprentices for 60 weeks.
- 4.3.3. These requirements were drafted by a specialist company engaged by YORhub (who administer the YORbuild2 framework) who assess the value and duration of the scheme to identify what can be achieved. In their response to Question 2.2b, bidders explained how they will offer opportunities to the local supply chain. Willmott Partnership Homes Limited's response to both of these questions will become part of the construction contract.

4.4. Resources and value for money

- 4.4.1. The overall cost of the utility services survey, re-directing and disconnection works and enabling works will be £668k. If these works are not approved, and the Council proceeds to award the Construction Contract during Stage 2 of this procurement process, then the Council will still be liable to cover these costs. Unforeseen and unknown ground conditions are at the 'client's risk' and this is standard practice across the construction sector.
- 4.4.2. Some of these works were accounted for in the activity schedule which Willmott Partnership Homes Limited submitted during their stage 1 tender.
- A proportion of the works were provisional sums allocated by the Council, as they were anticipated as being needed during the construction period.
 - A proportion of the works were priced for in Willmott Partnership Homes Limited's stage one tender submission, which we are proposing to bring forward as part of this package of works.
- 4.4.3. Other elements of the enabling works sit outside the stage 1 cost. Willmott Partnership Homes Limited have provided quotations for these.
- 4.4.4. Approximately £439k of these works were accounted for as either provisional sums, or in Willmott Partnership Homes Limited's original pricing submission, so the construction contract which would be awarded after stage 2, would not include these items again.
- 4.4.5. The other approximately £229k of works, including the additional management and overheads are new works which have only become known as site investigations have continued following the award of the design services agreement (DSA).
- 4.4.6. The programme and budget is managed through the Housing Growth Team in conjunction with Corporate Resources and Housing Finance Teams.

- 4.4.7. The current total funding available for the Council Housing Growth Programme is £108.3m. Overall authority to spend is £80.18m which includes estimates for the delivery of The Beeches and Nevilles schemes.
- 4.4.8. NPS on behalf of the Council will review the appointed contractor's design proposals as they develop and validate their costs. An NEC4 Engineering and Construction contract (Option A) for each individual scheme will only be entered into once the designs have been agreed with the Council.
- 4.4.9. NPS will be commissioned to provide post contract services for each of the individual schemes once in contract which will include cost control and contract management during the build programme.

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. This report is a subsequent decision of a previous Key Decision and is therefore a Significant Operational Decision which is not subject to call in.
- 4.6.2. The Early Works Agreement will be drafted with the assistance of Procurement and Commercial Services.
- 4.6.3. Planning approval is not required to carry out these works.

4.7. Risk management

- 4.7.1. Specific risks and how they are intended to be mitigated are presented from the recommended works detailed are as follows;
- 4.7.2. There is a risk of time delays to the programme for the wider Beeches and Nevilles project if these Utility Services Survey and associated works are not conducted, or if they are conducted during the construction period. To mitigate this the Utility Services Survey, associated works and the enabling works can be commissioned early and undertaken by Willmott Partnership Homes Limited under an Early Works Agreement.
- 4.7.3. There is a risk that The Council spends money to undertake the outlined works and the main scheme no longer goes ahead. This risk is mitigated by the high likelihood that this development will proceed. Furthermore, the value of the sites will be increased by undertaking these works which would be required before any future development, so if this project was not to go ahead (due to any unforeseen circumstances), the money spent here would not be a waste.
- 4.7.4. There is a risk that by commissioning the structural designs of the timer frames for the development, that if the works were to not go ahead that this would be a sunk cost for the programme. The project team are satisfied that the risk of this occurring is not only low, but the benefits to the programme in being able to

secure a slot in the factory, ensuring that the programme can be kept, as well as taking into account the relatively low value of this exposure (£17k) outweigh this potential risk.

5. Conclusions

- 5.1.** The below ground conditions on the Beeches and Nevilles sites are currently not fully known, however it is known that there are many Utility services located below ground on both the Beeches and Nevilles sites.
- 5.2.** In order to determine the below ground conditions and mitigate these to enable the scheme to go ahead, a Utility Service Survey and re-directing and removal works are required. It is essential that the enabling works for the Beeches and the Nevilles are also carried out alongside these surveys to ensure that there are not unnecessary delays.
- 5.3.** This report recommends that these works are conducted as an early works package in order to mitigate a number of risks. The benefits of these early works package lie in being able to maintain the programme of the project, and ensure that all the necessary information is obtained at this stage, to ensure that there are no delays which could be avoided

6. Recommendations

- 6.1.** It is recommended that Director of Resources and Housing approve the Housing Growth team to:
 - a) commission a Utility Services Survey and associated re-direction and disconnection works
 - b) commence a package of enabling works on the Beeches and Nevilles sites in November 2018
 - c) enter into an early works agreement with Willmott Partnership Homes Limited for Utility Services Survey, re-direction and disconnection works, and enablement works. The contract period will be for a period of approximately 4 months and the overall value will be £670,000.

7. Background documents¹

- 7.1.** ECDI Screening Document

¹ 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.