



Report of Council Housing Growth Team

Report to The Director of Resources & Housing

Date: 9 January 2020

Subject: Procurement of a Design and Build Contract via the YORbuild2 Direct Selection Process to deliver new build Council Housing at Ramshead Approach (Seacroft), Barncroft Close (Seacroft) and Scott Hall Drive (Chapelton)

Are specific electoral wards affected? Killingbeck & Seacroft, Chapel Allerton	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<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
Will the decision be open 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 1: Indicative Scheme Costs Appendix 1 to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- 1.1 The Council House Growth Programme (CHGP) aims to deliver a new generation of new build council housing for Leeds to meet housing needs for our residents. The target is to deliver circa 300 new units of social housing per year for the next five years.
- 1.2 This report seeks approval to procure a design and build contract to deliver new build council housing at the sites listed in this report which form part of the CHGP.
- 1.3 The contractor will be procured to design and build the housing through the YORbuild2 Framework (Direct Selection Process).

2 Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- 2.1 Housing is one of the Best City priorities as set out in the Best Council Plan, and the CHGP will directly support the following priorities by delivering additional social housing stock.
- Housing of the right quality, type, tenure and affordability in the right places.
 - Minimising homelessness through a greater focus on prevention.
- 2.2 The programme will also directly contribute to ensuring that “everyone in Leeds Lives in good quality, affordable homes, in clean and well cared for places” which is one of the target outcomes set out in the Best Council Plan.

3 Resource Implications

- 3.1 The meeting of Full Council on the 27th February 2019 approved an injection of £90.9m into the CHGP. A subsequent report to 26th June 2019 Executive Board obtained approval of the investment required to deliver c176 additional new build council houses, which included these schemes.
- 3.2 The CHGP now has total injected funding available of £221m as at September 2019 and incorporates sufficient funding to meet the costs of delivering the schemes contained in this report.
- 3.3 Authority to spend will be sought for the scheme on completion of designs to allow greater cost certainty. This authority will be requested prior to entering into a design and build contract for the schemes.
- 3.4 These schemes will be funded via a combination of either retained Right to Buy receipts or Homes England Grant, blended with HRA borrowing.

Recommendations

It is recommended that the Director of Resources and Housing:

- Approves the decision to procure a contractor to deliver new build council housing on Ramshead Approach, Barncroft Close, and Scott Hall Drive through the YORbuild2 Framework (Direct Selection Process)
- Notes that a further report will follow seeking approval to award a design agreement.

1. Purpose of this report

- 1.1 This report seeks authority to procure to deliver new build council housing on the sites listed above. In accordance with the Contract Procedure Rules (CPR) 3.1.6, a decision to procure should be undertaken at the point the procurement route is chosen. The approval of the Director of Resources and Housing is required to enable the procurement to progress in line with the proposals set out within this report.

2. Background information

- 2.1. This decision is required to deliver the CHGP. Background information is contained within the reports submitted to Executive Board as follows.
- In November 2018, a decision was taken to delegate the authority to procure and award of the contract for each housing scheme to the Director of Resources & Housing.
 - In June 2019, a progress report on the programme was provided and the board noted the additional sites being included, and approved investment of £17.5m.

3. Main issues

Project Scope

- 3.1. Asset Management approved the use of these three sites for new build council housing in October 2019.
- 3.2. Initial capacity studies have been carried out to identify the potential number and mix of homes on the sites which reflects the housing need in the area. This mix has been agreed with housing management. The capacity studies indicate that approx. 49 homes can be delivered on these three sites, as set out below.

Ramshead Approach

Property Type	Proposed Number of Homes
2 bedroom 4 person house	6
3 bedroom 5 person house	9
5 bedroom 8 person house	2
1 bedroom 3 person flexible bungalows	4
3 bedroom 5 person wheelchair accessible bungalow – Building Regulations Part M M4(3)	1
4 bedroom 6 person wheelchair accessible house – Building Regulations Part M M4(3)	1
Total	23

Barncroft Close

Property Type	Proposed Number of Homes
2 bedroom 4 person house	10
Total	10

Scott Hall Drive

Property Type	Proposed Number of Homes
2 bedroom 4 person house	10
3 bedroom 5 person house	4
4 bedroom 7 person house	2
Total	16

- 3.3. The proposed property mix for Ramshead Approach is only indicative at this stage and will be reviewed in the early stages of the design period. This is because the site includes property types (the 4 bed wheelchair accessible house and the 5 bed house) for which the Council does not have a standard floor layout to determine the footprint. The footprint of these properties, and its impact on how many of the other properties can be delivered on the site, will not be known until the contractor starts the design process. In addition, it may become possible to extend the boundary of this site and add more homes to the scheme. Options to do this are currently being investigated.
- 3.4. All homes will be built to M4(2) Accessible and Adaptable dwelling standard. Two of the homes on the Ramshead Approach will be built to M4(3) - wheelchair accessible dwelling standard in line with new planning policy requirements.
- 3.5. All homes will be delivered to the Leeds Standard which ensures high quality homes are designed to meet current and future demand and support the wellbeing of tenants through good use of space and energy efficient designs which reduce running costs for tenants. The Leeds Standard is incorporated within the council Housing Growth new build output specification therefore ensuring the quality requirements are met by the successful contractor.
- 3.6. Indicative scheme costs are attached in Confidential Appendix 1 and will be updated and assessed when surveys and site investigations have been undertaken and as the contractor develops its design and cost proposals.

Programme

- 3.7. The indicative timescales for the project are below.

Activity	Date
Award Design Agreement	February 2020
Development of Design (inc planning approval)	February - December 2020
Construction Period	January 2021 – February 2022
All New Homes Occupied	February 2022

Procurement Route

- 3.8. The council's default framework for construction work is YORbuild2. The non-complex nature of these sites and their relatively low value suggests that a competitive tendering process would not be beneficial so the direct selection option is proposed. A design agreement will be signed with the contractor which sets the terms for the design and cost stage up until the council is ready to enter into a construction contract. The design agreement enables the council to pay the contractor for design work and surveys. The agreement can be ended if there are any significant concerns regarding the design proposals and associated costs.
- 3.9. Once planning approval has been granted and the detailed design has been developed, an NEC4 (Option A) Engineering and Construction contract will be awarded.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation has taken place with the local ward members representing Killingbeck and Seacroft and Chapel Allerton. Chapel Allerton members have given their support to the proposed development at Scott Hall Drive and their feedback has been incorporated in the scheme layout. The Killingbeck and Seacroft members support the principle of development on the two sites included their ward and have asked for further consultation with local stakeholders to confirm the housing provision on site and address any concerns about site compounds, construction traffic and access routes to reduce disruption to residents. Scheme layouts will be confirmed following these discussions.
- 4.1.2 The Council's Lead Member for Communities has been engaged and supportive of the proposals.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening has been undertaken for the CHGP and has determined that the proposals have a positive impact in terms of Equality and Diversity and that a full assessment is not required. The screening document has been updated for this scheme and sets out how the requirements of certain groups have been considered in the specification. The screening document is attached.
- 4.2.2 The property mix has been developed with the council's housing management team using demand data for the areas in which the sites are located. The mix of homes selected reflects the demand and provides a wider choice of property types in these areas.
- 4.2.3 This project will contribute to the council's Equality Improvement Compassionate City Priority of 'living safely and well, living at home and valuing communities' specifically the indicators on tackling fuel poverty and reducing inequalities.

4.3 Council policies and the Best Council Plan

- 4.3.1 Please see section 2 above for Best Council Plan implications.

Climate Emergency

- 4.3.2 All of the homes being delivered via the CHGP will be built to the Leeds Standard specification which focusses on cutting carbon, improving air quality and tackling fuel poverty and which will play a key role in ensuring excellence in delivery through design quality, space standards and energy efficiency standards. It sets out challenging targets for our contractors to meet in terms of carbon emissions for these new homes. It includes:
- High Insulation levels (60% increase than current building regulations)
 - High Performing Windows to minimise heat loss and maximise natural light
 - Energy Efficient hot water and heating systems
 - Installation of Solar Panels providing free electricity
 - Water saving devices

- 4.3.3 Energy costs for Leeds Standard homes are over **£500 a year lower** when compared to averages in England and Wales. The average household in England and Wales produces an assessed 6 tonnes of carbon with Leeds Standard homes assessed at 1 tonne.
- 4.3.4 In addition to this, as the programme moves forward, it will continue to explore how it can further contribute to delivering against the council's aspirations around carbon reduction and this will include, as well as implementing energy efficiency measures, considering what opportunities exist for energy generation within our schemes.
- 4.3.5 The council will seek to develop a scheme that results in a 10% net gain in biodiversity for this site. Contributions include:
- Protection and retention of as many trees / hedges / shrubs and planting as possible and enforcing a 3 for 1 replacement new tree requirement.
 - Encouraging Wildlife such as gaps in fencing for hedgehogs, creation of habitat piles, inclusion of bat and bird boxes / insect houses
 - Low maintenance soft landscaping and inclusion of allotments / fruit trees / herb gardens

4.4 Resources, procurement and value for money

- 4.4.1 See summary section above for resource implications. See section 2 above for procurement approach.
- 4.4.2 Value for money will be evidenced via a range of mechanisms. Fees, preliminary and design costs must not exceed the rates tendered by the contractor when they joined the YORbuild2 Framework. Value for money on other costs will be evidenced using benchmarking and subcontract tender analysis.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This report details a subsequent decision of a previous Key Decision and is therefore a Significant Operational Decision which is not subject to call in.

4.6 Risk management

- 4.6.1 The CHGP is being delivered using the council's agreed project management methodology and a programme risk log will be maintained and risks managed, monitored and escalated through the governance process as necessary.
- 4.6.2 There is a risk that the designs developed by the contractor are not satisfactory to the Council. In this event, the Council has the ability to terminate the design agreement and will not be obligated to enter into a construction contract.
- 4.6.3 A public right of way runs along the boundary of the Scott Hall Drive site and a small section of this will need to be diverted. The CHGT are discussing a diversion route with the public rights of way team, using the feedback from a pre-diversion consultation exercise, to reduce the risk of formal objections to the diversion at the planning application stage.

4.6.4 Parks and Countryside byelaws apply to the Ramshead Approach site and the adjacent greenspace. A report is being prepared with legal services to remove the development site from the byelaw plan. This will require full council approval and there is risk that this will not be approved and will prevent the development. This is a very small risk as full council have already approved the use of the Ramshead Approach site for housing when they approved the Site Allocations Plan (SAP).

5 Conclusions

5.1 Approval is required to procure a design and build contractor to deliver new council homes as described in this report.

6 Recommendations

6.1 It is recommended that the Director of Resources and Housing:

- Approves the decision to procure a contractor to deliver new build council housing on Ramshead Approach, Barncroft Close, and Scott Hall Drive through the YORbuild2 Framework (Direct Selection Process).
- Notes that a further report will follow seeking approval to award a design agreement.

7 Background documents¹

7.1 None

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.