



Report of Council Housing Growth Team
Report to The Director of Resources & Housing
Date: 28th May 2020
Subject: Council Housing Growth Programme: Approval to Issue a Stage 1 Appointment letter and enter into NEC Professional Service Contracts (PSC) to deliver New Build Council Housing at Scott Hall Drive (Chapel Allerton), Barncroft Close and Ramshead Approach (Seacroft)

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Allerton	Killingbeck & Seacroft and Chapel
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- 1.1 Approval was obtained from the Director of Resources and Housing on 14th January 2020 to commence a procurement to appoint a contractor to design and build new build housing at Scott Hall Drive (Chapeltown), Ramshead Approach (Seacroft) and Barncroft Close (Seacroft).
- 1.2 WPHV Limited will be appointed to design the scheme via the YORbuild2 Framework via the direct selection process.
- 1.3 The Council Housing Growth Team (CHGT) have agreed fees for the design stage with WPHV Limited and will work with them to develop designs and scheme costs to enable the three planning applications to be submitted.
- 1.4 Following planning approval, a further report will be submitted seeking authority to award the NEC3 Engineering and Construction contract and authority to spend.

2 Best Council Plan Implications

- 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. On 26th February 2020 Full Council approved a further capital injection of £116m into the Council Housing Growth Programme, taking the overall funding injected and available for the Council House Growth Programme to £337.1m.
- 3.2 On 26th June 2019 Executive Board approved the investment required to deliver c176 new build council houses, which included the schemes which form the subject of this report.
- 3.3 The scheme will be funded via a combination of either retained Right to Buy receipts or Homes England Grant, blended with HRA borrowing.

4. Recommendations

It is recommended that the Director of Resources and Housing grants approval to:

- 4.1 Issue a Stage 1 Appointment Letter to appoint WPHV Limited to design new build homes at Scott Hall Drive (Chapeltown), Ramshead Approach (Seacroft), Barncroft Close (Seacroft).
- 4.2 Enter into an NEC3 Professional Service Contract (PSC) for each scheme with WPHV Limited for the total sum of £530,664.00 to develop design and cost proposals for the scheme (including surveys).
- 4.3 Delegates approval to Head of Council Housing Growth Programme, as per the scheme of delegation, to approve any costs incurred through the design stage for additional surveys or third party consultancy costs.
- 4.4 Delegates any minor extensions of the contract term and minor increases to the design fees (up to £50,000) to the Head of the Council Housing Growth Programme. The Head of the CHGP will update the Director of Resources and Housing.

5 Purpose of this report

- 5.1 This report seeks approval to issue a Stage 1 Appointment letter and to enter into a NEC3 Professional Service Contract (PSC) with WPHV Limited to develop the scheme.

6 Background information

- 6.1 This decision is required to deliver the Council House Growth Programme (CHGP) which 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.

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, Executive Board approved the inclusion of a number of additional sites in the Council Housing Growth Programme, including those detailed in this report, along with the associated capital investment and injected the required balance of funding required (£17.5m) noting £16.1m was injected as part of the February 2019 capital programme.

- 6.2 The Director of Resources and Housing approved the authority to procure report on 14th January 2020.
- 6.3 Asset Management approved the use of these sites for new build council housing on 4th October 2019.
- 6.4 This scheme will deliver approximately 49 new homes. The property mix is likely to be:

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

7 Main issues

- 7.1 Approval was obtained from the Director of Resources and Housing on 14th January 2020 to commence a procurement to appoint a contractor to design new build housing at Scott Hall Drive (Chapelton), Ramshead Approach (Seacroft) and Barncroft Close (Seacroft).
- 7.2 The Council Housing Growth Team (CHGT) have received design fees from WPHV Limited and have agreed, with the support of the council's technical advisors (NPS), the costs for the design stage of the project.
- 7.3 Subject to approval of this report, the council will issue a Stage 1 Appointment letter and enter into an NEC3 Professional Services contract (PSC) with WPHV Limited to undertake surveys and develop designs and costs for each of the three schemes.
- 7.4 WPHV Limited will be appointed via the YORbuild2 direct selection process.
- 7.5 The CHGT will work with the contractor to develop designs and costs ready for submission of the three planning applications. This is expected to be in November 2020, however this date could change due to impacts of Covid-19.
- 7.6 Once planning approvals have been secured, a further report will be submitted seeking authority to award the NEC3 Engineering and Construction contracts (ECC).
- 7.7 Scott Hall Drive will be the first site to be delivered, we expect this to be spring 2022 followed by Ramshead Approach and Barncroft Close in Summer 2022. These are indicative dates and could change dependant on Covid-19 impacts and planning approval.
- 7.8 The indicative timescales for the project are below.

Activity	Date
Award Design Agreements	May 2020
Development of Design (inc planning approvals)	June 2020 - Jan 2021
Construction Period	Mar 2021 – August 2022
All New Homes Occupied	Summer 2022

8 Corporate considerations

8.1 Consultation and engagement

8.1.1 The CHGT provided local ward members with an update on the scheme in early April 2020. Ward members are supportive of this scheme. Further consultation will take place once the contractor has prepared initial scheme designs.

8.2 Equality and diversity / cohesion and integration

8.2.1 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.

8.2.2 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

8.3 Council policies and the Best Council Plan

8.3.1 Please see section 2 above for Best Council Plan implications.

Climate Emergency

8.3.2 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

8.3.3 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.

8.3.4 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.

8.3.5 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

8.4 Resources, procurement and value for money

8.4.1 See summary section above for resource implications. See section 3 above for procurement approach.

8.4.2 NPS have assessed the design and survey fees agreed with the contractor and have confirmed they are competitive.

8.4.3 Value for money on the construction costs 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.

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

8.5.1 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.

8.6 Risk management

8.6.1 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.

8.6.2 The scheme specific risks currently identified for this project include:

- The design period may be slightly extended as both the council and contractor are working remotely due to Covid-19. Arrangements have been put in place to allow the review, comment and sign off of designs remotely.

- WPHV Limited are aiming to carry out some site surveys in the next few months. Some surveys cannot be carried out yet as social distancing guidelines cannot be met which could cause some delay to the planning submission.
- 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.
- A public right of 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 have discussed a diversion route with the public rights of way team, using the feedback from a pre-diversion consultation exercise, we are also looking to introduce a further pathway to satisfy the consultees which will reduce the risk of formal objections to the diversion at the planning application stage.
- Parks and Countryside byelaws apply to the Ramshead Approach site and Scott Hall Drive. 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 and Scott Hall Drive site for housing when they approved the Site Allocations Plan (SAP).

9. Conclusions

- 9.1. Approval is required to issue a Stage 1 Appointment letter and to enter into a NEC Professional Service Contract (PSC) with the contractor to develop the scheme.

10. Recommendations

It is recommended that the Director of Resources and Housing grants approval to:

- 10.1 Issue a Stage 1 Appointment Letter to appoint WPHV Limited to design new build homes at Scott Hall Drive (Chapelton), Ramshead Approach (Seacroft), Barncroft Close (Seacroft).
- 10.2 Enter into an NEC3 Professional Service Contract (PSC) for each scheme with WPHV Limited for the total sum of £530,664.00 to develop design and cost proposals for the scheme (including surveys).
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- 10.4 Delegates any minor extensions of the contract term and minor increases to the design fees (up to £50,000) to the Head of the Council Housing Growth Programme. The Head of the CHGP will update the Director of Resources and Housing.

11. Background documents¹

11.1. 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.