



Report of: Council Housing Growth Programme

Report to: Director of Resources & Housing

Date: 15th January 2021

Subject: Council House Growth Programme: Approval to enter into a Pre-Construction Services Delivery Agreement (PCSDA) via the Scape Major Works England & Northern Ireland framework to deliver New Build Council Housing at Healy Croft, West Ardsley.

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Ardsley and Robin Hood.	
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 type="checkbox"/> Yes <input checked="" 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
If relevant, access to information procedure rule number:	

Summary

1. Main issues

- 1.1 The council is committed to delivering a substantial programme of new build council housing via the Council Housing Growth Programme (“CHGP”), with an ambitious target of directly delivering at least 300 units of new build council housing p.a., to help address the city’s affordable housing shortfall.
- 1.2 An at risk feasibility exercise was undertaken at a small Council owned site at Healey Croft, off Westerton Road, Tingley, Leeds to assess its suitability for the provision of a small development of new homes. The feasibility assessment has been completed and confirmed that a small scheme of 9 homes could be built, subject to planning approval being granted on the site.
- 1.3 This report seeks approval to enter into a pre-construction services delivery agreement with Wilmott Dixon Construction Limited utilising the Scape Major Works England & Northern Ireland framework to deliver these new council homes.
- 1.4 Depending upon the outcome of the planning application now under consideration, further reports and approvals will follow should the council decide to progress the scheme.

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 CHGP 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 In February 2019, Full Council approved a capital injection of £90.9m into the CHGP. Subsequently in February 2020, Full Council approved a further capital injection £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 Adequate unallocated funding is available within this to meet the costs associated with the feasibility assessments and surveys required in relation to these two potential new schemes.
- 3.3 The total commitment required for the PCSDA stage is £282,911 excluding VAT. This report commits the Council to meet those further costs. A further report requesting the full contract costs will be submitted, subject to the approval of the planning application, should the council decide to progress with the scheme.

Recommendations

It is recommended that the Director of Resources & Housing:

- Agrees to waive CPR 3.1.5 as the proposed procurement approach represents a deviation from the established process of using the YORbuild2 framework.
- Notes that the Head of Council Housing Growth, as per the scheme of delegation, has approved an initial feasibility study of a potential new housing scheme at Healey Croft, Tingley, Leeds and the costs incurred through the feasibility stage for surveys and third party consultancy costs of £155k;
- Notes that Head of Asset Management has approved the allocation of the Healey Croft Site for the use of the council housing growth programme under his delegated authority through the Director of City Development;
- Approves the appointment of Wilmott Dixon Construction Limited via direct call off from the Scape Framework (Major Works) to complete the feasibility and the award of a Pre-Construction Services Design Agreement (PCSDA) at a cost of £282,911 excluding VAT to complete the detailed design development and cost estimating prior to contract award.
- Notes that a further report will follow to seek Director Approval to award an NEC Construction contract for the scheme, subject to a successful outcome to the planning process.

1. Purpose of this report

- 1.1 This report seeks Director approval to award a Pre-Construction Services Design Agreement (PCSDA) to enable more detailed design work to be completed in order to secure planning approval and ensure the scheme is in a position to proceed to construction.

2. Background information

- 2.1. A report to Executive Board in November 2018 set out the council's ambitions for its new programme of council housing.
- 2.2. The council has continued to seek additional sites to bring into the programme to help bring it closer to the initial target of 1,500 homes over the first 5 years. The subject site has been identified as potentially suitable for council housing development and the surveys and feasibility assessments have confirmed that a viable scheme can be delivered.

3. Main issues

- 3.1. The PCSDA will cover the site at Healey Croft, off Westerton Road, Tingley, Leeds and the scheme comprises a small development of 9 family houses which will be made available to rent under the council housing growth programme.
- 3.2. The feasibility stage assessment was delivered at no cost to the council with the exception of any survey costs or other third party consultancy costs incurred with the council's prior agreement. These were approved in the sum of £155k.
- 3.3. A planning application was submitted for the scheme in December 2020.

4. Corporate considerations

4.1. Consultation and engagement

- 4.1.1 Briefings have taken place with local ward members who have given their support to development of the site. Ward members noted and supported the proposals to upgrade further highways and footways on Westerton Road and have requested the Project team to ensure local residents understand that the proposals will have no impact on the adjacent community orchard and green belt land.
- 4.1.2 Further briefings will be undertaken at key stages in the project in accordance with the approved Ward Member engagement strategy.

4.2. Equality and diversity / cohesion and integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening will be undertaken should the council decide, following the feasibility stage assessments, to proceed to develop these sites for council housing.

4.3. Council policies and the Best Council Plan

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

- 4.3.2 Asset Management approved the allocation of the site to the Council Housing Growth Programme (CHGP) in December 2020, following the feasibility stage assessment.

Climate Emergency

- 4.3.2 All of the new council homes 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 our new homes.

4.4 Resources, procurement and value for money

- 4.4.1 The total funding for the Council Housing Growth Programme currently stands at £337.1m.
- 4.4.2 The CHGP procurement strategy allows for using the Scape Procurement Framework as an alternative to YORBuild2. The Scape contractor for a scheme of this value under the Major Works England and Northern Ireland framework is Wilmott Dixon Construction Limited.
- 4.4.3 One of the benefits of the Scape Framework offer is that the contractor undertakes the feasibility stage assessments free of charge (with the exception of survey and third party consultant costs). The framework also enables the Council to progress schemes more quickly with direct contractor and design team engagement.
- 4.4.4 Value for money will be ensured via a range of mechanisms. Many of the core cost elements are fixed upfront by the framework and these rates benefit from economies of scale and reflect the collective buying power of a long term partnering arrangement.
- 4.4.5 Funding for the scheme will be a combination of either retained Right to Buy (RtB) receipts or Homes England Grant, blended with HRA borrowing.
- 4.4.6 The scheme will be delivered by the CHGP programme team which includes colleagues from Housing Management, Housing Finance, Land and Property, Urban Design, Planning, Highways and other relevant stakeholders.

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

- 4.5.1 As the proposed use of Scape Framework is dependent upon waiving one of the council's Contract Procedure Rules, the approvals requested in this report constitute a Significant Operational Decision. As such the decision is not subject to call in.

4.6 Risk management

- 4.6.1 The CHGP follows an established risk management process for all its schemes which would apply to any developments which may ultimately be taken forward on these sites.
- 4.6.2 The PCSDA stage assessment will clarify the remaining site related risks and these will be captured, alongside project risks and, should we progress with the

schemes, these will be actively managed through the project lifecycle in collaboration with our contractors where appropriate.

5 Conclusions

- 5.1 Following a successful Feasibility Stage Assessment, the Council is now in a position to complete the necessary design and cost assessment work to determine whether developing this site for council housing represents a viable investment and will help ensure the council has an informed view of the likely scheme costs, timescales and risks before committing to proceeding to the next stage.

6 Recommendations

It is recommended that the Director of Resources & Housing:

- 6.1 Agrees to waive CPR 3.1.5 as the proposed procurement approach represents a deviation from the established process of using the YORbuild2 framework.
- 6.2 Notes that the Head of Council Housing Growth, as per the scheme of delegation, has approved an initial feasibility study of a potential new housing scheme at Healey Croft, Tingley, Leeds and the costs incurred through the feasibility stage for surveys and third party consultancy costs of £155k;
- 6.3 Notes that Head of Asset Management has approved the allocation of the Healey Croft Site for the use of the council housing growth programme under his delegated authority through the Director of City Development;
- 6.4 Approves the appointment of Wilmott Dixon Construction Limited via direct call off from the Scape Framework (Major Works) to complete the feasibility and the award of a Pre-Construction Services Design Agreement (PCSDA) at a cost of £282,911 excluding VAT to complete the detailed design development and cost estimating prior to contract award; and
- 6.5 Notes that a further report will follow to seek Director Approval to award an NEC Construction contract for the scheme, subject to a successful outcome to the planning process.

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.