

Council Housing Growth Programme: Approval to enter into an Enabling Works Delivery Agreement (NEC3 Short Contract) for scheme at Healy Croft, Tingley

Date: 30th June 2021

Report of: Council Housing Growth Team

Report to: The Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The purpose of this report is to seek approval to enter into an Enabling Works Delivery Agreement (EWDA) (NEC3 Short Contract) with Willmott Dixon Construction Ltd for the sum of **£215,469.87**. The EWDA covers subcontract preliminaries and sundry external works. These works are required to be undertaken prior to entering into the works contract in order to meet the critical path of the main works programme for the design and build of 9 new council homes at Healy Croft, Tingley.
- The Council intends to enter into an NEC3 Engineering and Construction contract (NEC3 ECC) with Willmott Dixon Construction Ltd which will be subject to a separate DDN and report.
- The delivery of 9 new homes under the construction contract will directly contribute to the achievement of a number of key performance indicators the Council will use to measure success including:
 - a. Growth in new homes in Leeds;
 - b. Number of affordable homes delivered;
 - c. Improved energy and thermal efficiency performance of houses; and
 - d. Number of households in fuel poverty
- In addition to enabling the Council to meet its housing targets, the development programme will also contribute to delivering against our social value charter aspirations via the creation of employment, skills and apprenticeship opportunities within the City (see Appendix C).

Recommendations

- a) It is recommended that the Director of City Development grants approval to enter into an Enabling Works Delivery Agreement (NEC3 Short Contract) with Willmott Dixon Construction Ltd for the sum of **£215,469.87** to enable the completion of subcontract preliminaries and sundry external works prior to entering into the main NEC3 works contract.

Why is the proposal being put forward?

- 1 The proposal is required to contribute towards the Council House Growth Programme's (CHGP) target to deliver circa 300 new units of social housing per annum over the next five years.
- 2 Willmott Dixon Construction Ltd entered into a Pre-Construction Services Delivery Agreement (PCSDA) with the Council on 30th November 2020 to further develop the scheme for the sum of **£282,911.00**.
- 3 The estimated start date for the enabling works contract is 12th July 2021, with the works starting on site 12th July 2021 with completion by 2nd August 2021.
- 4 Details of the enabling works are contained in the table below. Perfect Circle were commissioned via the Scape framework to provide cost and technical consultancy services during the Preconstruction period. Perfect Circle have reviewed the proposed scope of works, programme and costs associated with this enabling package and have confirmed their support for this approach, indicating that this is the most cost effective method to ensure the project programme is maintained

Enabling Works Summary	Prices (excluding VAT)
People Costs	
Contracts Manager	£944.03
Operations Manager	£1,636.32
Building Manager	£4,144.56
Assistant Building Manager	£3,300.18
Commercial Manager	£637.09
Project Surveyor	£4,221.90
Senior Design Manager	£6,293.55
Services Manager	£755.23
Equipment Costs	
Stores	£44.64
Smoking Shelter	£44.64
Turnstile	£326.10
Plant & Materials	
Small tools	£242.33
Subcontract Preliminaries	
Temporary Electrics	£2,336.30
Temporary Water	£412.79
Road Cleaning	£1,410.00
Cabin Cleaning	£1,524.00

General labour	£2,250.00
Temporary Access Roads	£14,090.82
Site Hoarding & Fencing	£30,610.00
Gateman	£1,914.89
Evolution Unit	£3,351.00
Site Security	£2,521.40
Waste Removal	£542.17
Temp Fire Stations	£180.00
External works	
Site Preparation	£33,072.00
Service isolation	£3,000.00
LABC	£3,379.00
Electric – TBS & 25% Mains	£18,500.00
Gas Diversion	£7,686.00
Mains Water & TBS	£18,803.00
Fill to Level	£15,250.00
SW10-19	£25,109.00
SW5-8	£0
F3-4	£0
Offsite F7-9	£0
Road sub base (GW)	£0
Temo Kerbs & Edgings	£0
Subcontract Fee (3.60%)	£6,717.60
Direct Fee (1.00%)	£219.33
Total	£215,469.87

What impact will this proposal have?

Wards Affected:

Have ward members been consulted?

Yes

No

- 5 On entering into the main works contract, this development will add social value through the provision of quality social housing in addition to Employment and Skills opportunities during the construction phase.
- 6 An Equality, Diversity, Cohesion and Integration (EDCI) screening was completed in 12th May 2020 and has been appended as Appendix 2.

What consultation and engagement has taken place?

- 7 The Council Housing Growth Programme has an established process for consulting and engaging with key stakeholders in relation to new build schemes delivered under the programme. As such, the CHGP has engaged with the relevant elected Members (pre-AGM 20th May 2021) for the impacted ward and also the Deputy Leader and Executive Member for Communities, all of whom are fully supportive. Members were fully briefed on the commercial discussions, planning submission, scheme designs and programme on 3rd December 2020.
- 8 Regular updates on the progress of the whole programme are presented at the Council Housing Growth Programme Board.
- 9 The Council Housing Growth Team and Willmott Dixon Construction Ltd will continue to engage with Members by facilitating 'meet the contractor' sessions and providing regular updates during the contract programme.

What are the resource implications?

- 10 Full Council approved an injection of £90.9m into the Council Housing Growth Programme on 27th February 2019. A further capital injection of £116m was approved in February 2020, taking the overall funding injected and available for the CHGP to £337.1m.
- 11 The approval to release the site to the Council Housing Growth Programme was taken by the Head of Asset Management in December 2020.

What are the legal implications?

- 12 The procurement process has been conducted in line with the Council's Contract and Procedure Rules and approval under CPR 3.1.8 (to procure a framework contractor through a direct award procedure via the Scape Major Works England and Northern Ireland framework) was given by the Director of Resources and Housing in 25th June 2020.
- 13 The Scape framework includes an enabling works schedule with standard terms and conditions. These have been reviewed and amended by colleagues in Procurement and Commercial Services to ensure robustness and provide appropriate protection to Leeds City Council.
- 14 The recommendations set out in this report constitute a Significant Operational Decision which is not subjected to call in. The main building contract has been included on the List of Forthcoming Key Decisions, will be considered as a key decision and will be subject to call in.

What are the key risks and how are they being managed?

- 15 The CHGP is being delivered using the Council's agreed project management methodology and a programme risk log will be maintained and risk managed, monitored and escalated through the established governance process as appropriate.

- 16 The Project Team will continue to monitor the identified risks and consider any new risks moving forward through the design development phase, contract award and mobilisation.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 17 The proposal supports inclusive growth for the wider community through the employment and skills opportunities generated by the scheme (see Appendix C).
- 18 The scheme will promote greater Health and Wellbeing among our residents through the provision of better quality social housing.
- 19 The proposal supports the Council's Climate Emergency strategy by providing housing 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 standard and energy efficiency standards. It sets out challenging targets for out contractors to meet in terms of carbon emissions for these new homes. It includes
- A 'Fabric first' approach, meaning we will achieve high insulation levels (60% increase over current building regulations).
 - High Performing Windows to minimise heat loss and maximise natural light.
 - Energy Efficient hot water and heating systems.
 - Water saving devices.

Energy costs for Leeds Standard homes are over £500 per 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.

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, Energy efficiency standards are to comply with the 'Basic Requirements' of the 'Good Practice Standard' and the Contractor will provide SAP certificates and calculations for each dwelling.

Options, timescales and measuring success

a) What other options were considered?

- 20 Procurement through one of the existing Council approved frameworks (YORbuild2) was considered as an option. However, due to the restricted nature of the site, a feasibility study was required to ascertain whether it would be suitable for the provision of a small development of new council homes. As the Scape framework provided a free feasibility study and a collaborative approach with a single contractor, this was considered the most suitable option for the development. As this was a deviation from the established process of using the YORbuild2 framework, the Director of Resources and Housing approved the waiver of CPR 3.1.5.

b) How will success be measured?

- 21 Success will be measured by meeting the Key Performance Indicators outlined on page 1 of this report.

c) What is the timetable for implementation?

22 The timetable for implementation is a contract start date of 12th July 2021, a site access date of 12th July 2021 and a completion date of 2nd August 2021.

Appendices

23 Appendix A – Tender Evaluation Report (confidential)

24 Appendix B – Equality, Diversity, Cohesion and Integration Screening

25 Appendix C – Employment and Skills

Background papers

26 Council Housing Growth Programme Report to Executive Board November 2018.

<https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=48156>