

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	1965
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Department:	Development
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Subject:	New Build tender award for the Lenton site to allow the building of the bungalows, flats and commercial units.
Total Value:	£500,000 (Type: Capital)
Decision Being Taken:	To approve an additional £500,000 of funding from the Housing Revenue Account new build programme to support the building of 16 bungalows, 10 flats and 2 commercial units as part of the redevelopment of the Lenton site. To approve entering into a contract with the contractor who has been appointed for the complete redevelopment of the Lenton site. To date, only the contract for phase one, the sheltered units, has been let.
Reasons for the Decision(s)	<p>In February 2013 Executive Board approved the Lenton master plan for the redevelopment of the site of the Lenton flats. This plan consisted of two phases: the first phase was the provision of 54 units of sheltered accommodation (which is due to complete in May 2015), the second phase is the provision of 16 bungalows and 10 flats. In addition, as the design has progressed, 2 commercial units have been included with the flats to act as a gateway at the main entrance to the site.</p> <p>The contractor who was appointed to redevelop the full site has provided updated costs for the phase two of the scheme, which includes the 16 bungalows, 10 flats and the 2 commercial units. These costs show that scheme is now overbudget and requires additional £500,000 of funding to make it affordable.</p> <p>While a programme of value engineering has been undertaken to reduce the budget as much as possible, building inflation has been significant over the last two years since the budget was set. Additionally the inclusion of the 2 commercial units has further increased the costs.</p> <p>The building works will be managed by Nottingham City Homes on behalf of the City Council.</p>

Other Options Considered:

- 1. To reduce the number of properties built on the site - this was discounted as it would mean that the site would not be fully built out and would impact on the number of tenants that could live on this new development.
- 2. Removal of the commercial units from the scope - this was discounted as it would reduce the facilities on the new development and would significantly impact on the place making of the development.

Background Papers:

Published Works:

Executive Board 19th February 2013 - Redevelopment of Lenton and Radford sites.

Affected Wards:

Dunkirk and Lenton

Colleague / Councillor Interests:

Consultations:

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

The development will create better connected and safer neighbourhoods by improving the quality of the built environment and through the Secure by Design principles. This will help to both reduce crime and the fear of crime.

Equality:

EIA not required. Reasons: The original Executive Board report in February 2013 included a full Equality Impact Assessment, this decision while providing the required funds does not change the policy.

Social Value Considerations:

The development is part of a wider programme of delivering quality new social housing either directly or in partnership. In this way the City Council is enabling new quality affordable housing to meet the needs of residents, help to physically regenerate Nottingham's neighbourhoods and create new quality places where people want to live.

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

05/05/2015

Advice Sought:

Legal, Finance, Procurement

Legal Advice:

The proposal within the report relates to an increase in construction costs as well as the inclusion of further units within the scheme. Whilst it is inevitable that the inclusion of further units will increase build costs clarity needs to be sought on whether or not additional costs linked to "building inflation" are provided for in the contract. Equally the decision maker needs to be clear on the cost split between the two elements.

If it is proposed to amend the existing contract to include the construction of the additional units then the contract will need to be reviewed in order to ensure that such a variation is permitted and, if so, appropriate changes made. Advice provided by Malcolm Townroe (Legal Services Manager) on 10/04/2015.

Finance Advice:

Executive Board on 19 February 2013 granted delegated authority to the Portfolio Holder for Housing, Regeneration and the Community Sector in consultation with the Corporate Director of Development and the Director of Legal and Democratic Services to accept tenders for the redevelopment of the Lenton site subject to the cost being contained within the approved funding envelope of £14.930m. Since that time 2 commercial units have been added into the scheme and there has been significant building inflation as the industry comes out of recession, such that approval to a further £0.500m is now required. A programme of value engineering has taken place to minimise the additional costs and NCH advise the contract still represents best value for the City Council.

The additional cost of £0.500m has been provided for in the Housing Revenue Account Building a Better Nottingham capital programme.

Advice provided by Jim Driver (Finance Service Partner) on 10/04/2015.

Procurement Advice:

NCC comments are not required on this report. The subject matter of the report in respect of the works and services is included within the scheme of delegation. Schedule 2 of the partnering agreement between NCH and NCC. The partnering agreement between NCC and NCH is in compliance with the Constitution. Advice provided by Sue Oliver (Category Manager - Procurement) on 17/04/2015.

Signatures

Dave Liversidge (PH Community Safety, Housing and Voluntary Sector)
SIGNED and Dated: 27/04/2015
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 27/04/2015