

HOMES & COMMUNITIES COMMITTEE

14 SEPTEMBER 2020

PROJECT UPDATE FOR THE SEVEN HILLS MODULAR DEVELOPMENT SCHEME

1.0 Purpose of Report

- 1.1 To update members as to progress on the project to replace the existing facility at Seven Hills.

2.0 Background Information

- 2.1 As part of the Housing Act 1996 the Council is under a statutory duty to provide temporary accommodation for all homeless applicants who meet the required criteria. Presently, this is delivered through the temporary accommodation provisions at Seven Hills, Quibells Lane, Newark and Wellow Green, Newark Road, Ollerton.
- 2.2 Due to the changing makeup of household sizes this has meant that the provision at Seven Hills is no longer fit for purpose, primarily because it does not provide the necessary flexibility of room sizes and configurations to best meet the needs of homeless households placed in this accommodation. It must also be acknowledged that the current quality of the accommodation offered, is below that which we would like to offer.
- 2.3 Members have previously approved the progression of a detailed design for a replacement scheme on the existing site, at the committee meeting held on the 30th of September 2019.

3.0 Proposals

- 3.1 Following the Homes and Communities Committee's approval to proceed with the project we undertook soft market testing to; engage with suppliers in shaping the construction choice, establish the level of design to be provided to suppliers and confirm the appropriate procurement route to market. This was progressed in November 2019.
- 3.2 The research revealed that the route to market for schemes delivered using modern methods of construction (MMC), differ greatly from a traditional form of construction where the scheme is built entirely on site. We received a wide variety of responses from suppliers, with some seeking to provide an off the shelf solution, whilst others were able to provide a unique product tailored to our needs. Delivery timescales again varied widely with some suppliers as short as 10 weeks whilst others indicated 30 weeks, this is attributable to the different scope of product offered. None of the suppliers were able to offer a firm indication of budget.
- 3.3 With only limited clarity from this exercise in how best to engage with the supply chain, papers were taken to the Senior Leadership Team in December 2019 and February 2020, as a result of further research being conducted and meetings with MMC suppliers. SLT approved progression of the scheme as a MMC solution and it was determined that we would put out a formal expression of interest through an established modular delivery framework. We approached the LHC who are a not-for-profit central purchasing body who develop OJEU-compliant frameworks, specifically for the use of publicly funded contracting authorities.

- 3.4 The expression of interest was undertaken in May 2020, it was sent to a shortlist of eight firms and we received two responses. Notwithstanding the poor rate of response, it was again apparent to note that even using an established framework, there was a lack of consistency in the construction detail required by the supply chain. The two products proposed in the responses were so different in their offering, as to be incomparable if taken forward to formal tender stage.
- 3.5 Having conducted both exercises it was agreed by the project team that the route to market we will use, is to adhere closely to the traditional form of detailed design, obtaining outline planning approval and undertaking a competitive open market tender exercise. This does introduce a risk of excluding some suppliers, however it gives the Council greater control over the end product we receive. It is also important to note that we will ensure an equal and transparent procurement exercise, where we are able to satisfactorily compare the submissions from a variety of providers.
- 3.6 To this end we are now able to report the appointment of WT Partnership as employer's agent for this project, in addition to Guy Taylor Associates who will undertake the role of architect. Both are local firms with a strong track record of delivering buildings using modern methods of construction. Indeed Guy Taylor Associates were the designers of the award winning Parsons Mount development in Newark, on behalf of St Leonard's Hospital Trust which was built using a timber framed construction form.
- 3.7 The final area of learning we have taken from the market research, is that the original title of the project was leading to confusion. Many modular suppliers offer non-permanent accommodation solutions, and as such suppliers were determining that it was the building that was temporary not the duration of the tenants stay. It was also altering perceptions as to the quality of finish, with some firms proposing plastic wipe clean surfaces.
- 3.8 In reviewing the scheme as part of the market research we have challenged some of the assumptions made as part of the feasibility exercise. A key assumption was that by using a modular form of construction we could have phased the works on site, in effect demolition some units on the site whilst retaining others for use as we built the new accommodation. However analysis of the services configuration on site revealed that this was not viable due to the layout of the underground services. This has required the creation of a new work stream, to source an alternative provision of accommodation whilst the new scheme is built.
- 3.9 An operational team of officers are currently exploring options available for an interim solution to accommodate homeless individuals and families whilst the new scheme is built. The findings from this exercise, preferred option and budgetary implications will be brought back to committee for a decision.
- 3.10 To support the delivery of the project moving forwards the key milestones have been identified as follows:
- (Oct 20) Undertake site surveys and preliminary design to planning pre application stage.
 - (Nov 20) Prepare tender pre-qualification stage.
 - (Jan 21) Seek committee approval on indicative designs and to proceed to procurement.
 - (March 21) Report on tender outcome and propose contractor for committee approval.
 - (June 21) Undertake the developed design and discharge of planning conditions.
 - (August 21) Commence works on site.

- (March 22) Complete works on site.

4.0 Equalities Implications

- 4.1 The facility at Seven Hills is by its purpose intended to serve any resident of the district who requires a temporary housing solution. Within the design for the new building, we will be taking into account the breadth of client base who may need to access the facility, and ensuring the new facility meets their needs. The new building will be able to accommodate larger family groups as well as smaller ones, it will be modern and ensure people live to a decent standard.
- 4.2 Within the preferred interim solution and redesign of the future service model, consideration will be given to supporting equality of opportunity through equality impact assessments.

5.0 Financial Implications (FIN20-21/761)

- 5.1 There are no direct financial implications arising from this report. As per the report presented to this Committee on 30/09/2019, £3,000,000 of funding has been approved in the council's capital programme to replace the temporary accommodation facilities currently at Seven Hills.
- 5.2 As per paragraph 3.9 of this report, the financial implications of potential interim solutions whilst the new scheme is built will be presented to this Committee at a later date.

6.0 Community Plan – Alignment to Objectives

- 6.1 Proceeding with the replacement of the existing facility at Seven Hills, aligns with the following objectives:
- Accelerate the supply of new homes including associated facilities.
 - Reduce levels of deprivation in target areas and remove barriers to social mobility across the district.
 - Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes.

7.0 Comments of Director(s)

- 7.1 This project will enable the Council to provide a modern, efficient facility for people when they are in most need. The opportunity to use modern methods of construction will deliver an innovative scheme, which will be interlinked with wrap around support for residents to help promote a strong start to their housing journey.

8.0 RECOMMENDATION(S)

That members of the committee note the progress on the project to date.

Reason for Recommendation(s)

To ensure this project progresses with Member support, to enable the Council to provide appropriate temporary accommodation to discharge its statutory homeless duties.

Background Papers

Homes and Communities Committee 30 September 2019 – Temporary Accommodation Development Appraisal.

Homes and Communities Committee 11 March 2019 – Temporary Accommodation Project Update.

Policy and Finance Committee 21 February 2019, approved by Full Council 7 March 2019.

For further information please contact **Edward Langtry – Capital Projects Manager** on Ext 5771

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