



To: Executive Councillor for Housing: Councillor Kevin Price
Report by: Housing Development Manager – Sabrina Walston
Relevant scrutiny committee: Housing 1/7/2014 Scrutiny Committee
Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

PROCUREMENT OF AN AFFORDABLE HOUSING DEVELOPMENT PARTNER

Key Decision

1. Executive summary

This report proposes the procurement of a house builder partner to develop, or re-develop, Affordable Housing to be owned and managed by Cambridge City Council across a number of sites in the city. This could include market housing, Affordable Housing as well as mixed use, commercial and housing developments.

2. Recommendations

The Executive Councillor is recommended:

To approve the procurement of a development partner.

To give delegated authority to the Director of Community Services, following consultation with the Housing Revenue Account Principal Accountant and the Head of Legal Services, to complete the procurement process and legal documentation to select a development partner.

To note that any proposed Development Agreements for individual sites will be brought back to Committee for scheme specific approval.

3. Background

In the Affordable Housing Development partnership – 500 programme report of March 2010, delegated authority was given to procure a development partner to work in conjunction with the City Council to deliver Affordable Housing, to be owned and managed by the Council. Keepmoat was selected and are contracted in a Framework Agreement with the City Council until February 2016 to deliver the new build Council houses 146 programme funded through the HCA's grant regime. Four Registered Providers (RPs) were also included in the Framework Agreement because at the time of the procurement the Council did not have the financial freedoms to build its own Affordable Housing. However, thus far the Council has not requested that the RPs complete any work through the Framework Agreement because the financial freedoms were gained by the Council to build its own Affordable Housing.

Therefore to help deliver the objectives of improving Council House standards and adding to the Affordable Housing stock in Cambridge, a new procurement is proposed that offers the opportunity to refresh and broaden the scope of organisations building the City Council's Affordable Housing stock.

The 3 year programme for Affordable Housing, which Keepmoat have been delivering, identifies small and medium sized sites to be assessed for feasibility for development. The new procurement will seek to provide a partner that can continue to deliver small and medium sites and to help deliver more complex schemes, for example mixed use schemes with residential and commercial uses, and potentially to provide initial information on more strategic sites.

It is proposed to find a partner that will share the Council's principles via a transparent and robust process. An example of this is the Homes & Communities Agency's DPP2 Framework Agreement. Legal and Procurement advice is currently being sought to establish the best procurement route to provide the scope of services.

In April 2013 the Homes & Communities Agency established a Delivery Partner Panel (version 2) which gives public sector users a ready checked framework of development partners. The framework was procured through a fully compliant European Union (EU) procurement process, and as such, it can be used to procure development speedily via a mini competition, as opposed to the Council advertising a tender in the Official Journal of the EU. This is one of the procurement routes that is currently being considered.

If a fully compliant EU procurement is required it can take approximately 18 months to complete, depending on the complexity of the procurement. This,

together with widening the scope of the partner, is the reason for requesting approval now when the Council has a partner until February 2016.

4. Implications

(a) Financial Implications

This procurement will help demonstrate if the Council are currently, and likely in future to, receive value for money when developing land.

(b) Staffing Implications

Staff within the Housing Development team will be responsible for overseeing and managing the process in line with the Council's project management guidelines and Contract Procedure Rules. A project team will be arranged to meet regularly and include, but not limited to, representatives from City Homes, Legal Services, Housing Development, Technical services, Business Management (housing finance) and Procurement.

(c) Equality and Poverty Implications

An Equalities Impact Assessment was undertaken for the Council's new build programme as a whole in January 2013. Part of the assessment underlines the need for Affordable Housing to help those most likely to suffer poverty as well as ways in which new Affordable Housing will directly save money for tenants such as energy saving measures.

(d) Environmental Implications

The procurement of a development partner will not have any environmental implications; however, the Council's current housing specification is for new housing to be a minimum of level 4 of the code for sustainable homes.

(e) Procurement

All City Council procurement policies and procedures will be adhered to with internal procurement colleagues as part of the project board in helping to select a development partner.

(f) Consultation and Communication Implications

Internal consultation has taken place with affected sections within the Council. External communication will take place following a successful procurement. Resident representatives will be involved in the scoring panel for the final tender award.

5. Background papers

Affordable Housing Development Partnership – 500 programme – 25/3/2010.

<http://democracy.cambridge.gov.uk/Data/Community%20Services%20Scrutiny%20Committee/20100325/Agenda/Item%207%20-%20Affordable%20Housing%20Development%20Partnership%20500%20Partnership.pdf>

HCA Delivery Partner Panel 2 – A guide for Public Sector Users.

<http://www.homesandcommunities.co.uk/dpp>

6. Appendices

Affordable Housing Development Programme (AHDP) EQIA

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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