

North Somerset Council Decision

Decision of: Executive Member for Placemaking and Economy

With Advice From: Director of Place and Head of Strategic Procurement.



Decision No: 21/22 DP 257

Subject: Procurement Plan for the selection of a development partner for council-owned land to the South of The Uplands, Nailsea

Key Decision: NO

Reason: This procurement plan is covering the route to market only; the Commissioning Plan covered authority to proceed with the project. This commission will not affect more than one community/ward.

1. Background

This report sets out a Procurement Plan for the selection of a development partner to deliver 52 high quality homes on council-owned land to the south of The Uplands, Nailsea.

Background on the proposals can be found in the Business Case and Commissioning Plan agreed by Full Council on 19th July 2021. A link to the Commissioning Plan is provided in the list of background papers at the end of this report.

2. Decision

To approve the Procurement Plan for the selection of a development partner to deliver 52 high quality homes on council-owned land to the south of The Uplands, Nailsea, as detailed in section 3 below.

3. Procurement Plan

Introduction

The council owns approximately 2 hectares of land and benefits from detailed planning permission that secured consent under application reference: 20/P/2000/R3 for 52 homes including 30% affordable housing.

Proposals for the site have been developed by a design team headed by Mikhail Riches Architects, winners of the 2019 Stirling Prize for Architecture for a 100% Passivhaus housing scheme using Modern Methods of Construction (MMC). Bidders will be required to continue to utilise the Mikhail Riches led design team, unless there is an acceptable reason not to.

Features of the proposals for The Uplands include:

- A housing mix targeted at meeting local needs, including a higher than standard proportion of two-bedroom homes and eight bungalows.
- A landscape-led approach, with a high proportion of green space including communal shared gardens for some of the properties and new footpaths across the site linking into the adjacent woodland and bridleway.
- All homes meet Passivhaus certified standards: a very high standard of sustainability which also helps ensure good build quality and low energy bills.
- All homes are a minimum 10% above Nationally Described Space Standards and have been provided with additional storage space both internally and externally.
- Additional provision of adaptable and accessible homes, above the policy requirement (8 x M4(3) compliant bungalows and 8 x m4(2) compliant houses).
- Electrical vehicle charging for all homes, as well as contributions to fund an electric vehicle car sharing club.

The proposals are supported by £557,510 Homes England Local Authority Accelerated Construction Funding (LA-AC, revenue) and £481,028 One Public Estate Land Release Funding (LRF, capital). In addition, the council has secured a further £55,000 capacity funding from Homes England to support the procurement of a development partner.

Commissioning Plan

On 19th July 2021, Full Council agreed a Commissioning Plan for the procurement of a development partner to deliver 52 high quality sustainable homes at council-owned land to the south of The Uplands, Nailsea. The Commissioning Plan is available on the council's website via the hyperlink provided above.

Lessons learned from previous projects

Jones Lang LaSalle (JLL) and Bevan Brittan have been commissioned to provide property and legal services respectively, and both have extensive experience supporting public sector clients with the optimal delivery and disposal of their land interests. In relation to the procurement process, the following aspects are important:

- Make the process as efficient and streamlined as possible to maximise market interest.
- Ensure that information within the portal is as complete as possible to underpin accurate bid assumptions.
- Utilise the progressive stages of the process to reduce the number of bidders so that the final stages involve a limited number of parties. This will help maximise the commitment of the best-fit bidders.
- Prepare clear and robust assessment criteria which reflect and help secure the council's objectives and priorities for the scheme.

The procurement exercise should have regard to the above to ensure good quality and robust submissions that are appropriate to the nature of the opportunity.

Both JLL and Bevan Brittan were part of the team which supported the council in procuring a development partner for its land at Parklands Village. There are several lessons learned from the Parklands procurement which the team will ensure are carried through to The Uplands developer procurement, including the need for extensive early engagement with the market and early engagement with elected members to ensure all parties are appraised of the process and outcome.

The development at The Uplands is smaller and more suited to SME developers than to the larger developers who were attracted to the Parklands site. As such, the procurement procedure is being adapted to ensure SMEs are not alienated by what could be perceived as a lengthy or cumbersome procurement process.

Requirements and proposed approach to procurement

The council is seeking to procure a development partner to deliver 52 homes on its land south of The Uplands, Nailsea. The site benefits from planning consent for a very high quality and sustainable development. Funding has been secured via the Land Release Fund and Local Authority Accelerated Construction (LA-AC) grant. These funding commitments set out a number of conditions including timely investment in eligible enabling works, the use of Modern Methods of Construction, provision of 30% affordable housing and delivery of houses at an accelerated pace.

The procurement is being conducted under the Concession Contracts Regulations 2016 (CCR), which requires upfront requirements and evaluation criteria to be set. Under the CCR the Council is not bound to the strict formalities of the procedures set out in the Public Contracts Regulations 2015 (as amended) (PCR) and is therefore able to enjoy the greater flexibilities offered under the CCR in structuring the procurement. The aim is to commence the procurement process in November 2021.

The council has instructed JLL and Bevan Brittan to provide development consultancy and legal advice to support the procurement of a development partner.

Advice provided by JLL suggests the most appropriate route for disposing of the site is a Development Agreement via a Building Lease. This route will provide the council with an appropriate level of control over the development to help ensure it satisfies the requirements of the planning consent and LA-AC Grant Funding Agreement, whilst reducing its own financial risk and exposure. This approach is recognised by Homes England and leading housebuilders as an established route.

The Tender and Development Agreement will reflect the requirements of the Planning Consent and the terms of the funding agreements, including:

- A start on site by 1st March 2023 and completion by 28th February 2025.
- Use of panellised Modern Methods of Construction (MMC) throughout.
- A minimum of 30% affordable housing.
- Use of Land Release Fund to deliver capital enabling works, specifically site clearance, groundworks and access.

A conditional Development Agreement will be exchanged with the successful bidder following the council reaching a contract award decision. Upon satisfaction of specified conditions, the Development Agreement will become unconditional, and a Building Lease entered into that

allows the developer access to the site to construct the scheme. This form of Development Agreement is frequently used by Homes England.

Route to market

The selection of a development partner is being procured by way of CCR 2016 compliant procurement process and due to its value will be advertised and open to all potential bidders through the Find a Tender Service (FTS). The council will be conducting a procurement process which allows the council to engage with and negotiate the development of solutions whilst also being able to reduce the pool of competitors at various stages.

It will take the form of a multi-stage tender process, which requires upfront requirements and evaluation criteria to be completed.

Officers considered using a Framework Agreement but decided not to pursue this option as it would limit the opportunity to a pre-approved list of developers. The council is keen to maximise interest from the widest range of developers possible, particularly given the requirements for accelerated delivery, the use of modern methods of construction and delivering Passivhaus certified standards.

The precise duration of the Development Agreement is to be confirmed through the procurement process, but it is anticipated that the contract will be awarded in mid-2022 with the project completed by the end of 2025.

Timescales

The procurement process will comprise the following key submission stages through which proposals will be refined and the number of bidders reduced.

- i. Selection Questionnaire: interested parties will be required to submit a Selection Questionnaire that provides detail of their experience and track record in delivering similar residential schemes. Responses will be evaluated and a shortlist of the 5 highest scoring bidders selected to progress to the next stage of the procurement process. Particular emphasis will be placed on relevant experience of Modern Methods of Construction and Passivhaus delivery.
- ii. Outline Solutions: the remaining bidders will be asked to provide their outline proposals for the opportunity. Meetings with the bidders may be held to clarify any elements of the procurement/submission that are unclear. Bids will be scored and the 3 highest scoring bidders will be invited to the dialogue stage of the competition
- iii. Invitation to Commence Dialogue: the council will conduct dialogue meetings with the three bidders on all aspects of the project, including on the legal documentation.
- iv. Final Tenders: the remaining bidders will be invited to submit their final tenders. These will be scored, and the preferred bidder selected based on the most advantageous tender to the council.

The suggested timescales for the procurement are:

Procurement Plan approval	October 21
FTS advertised & Selection Questionnaire published	1 Nov 21
Selection Questionnaire submission deadline (30 days)	1 Dec 21
Evaluation/moderation	2 & 3 Dec 21
Publish Invitation to Submit Outline Solutions (max 5 bidders) and debrief unsuccessful SQ applicants	6 Dec 21
First stage clarification	13 & 14 Dec 21
Outline Solutions submission deadline	28 Jan 22
Evaluation of Outline Solutions	w/c Jan 22
Publish Invitation to Commence Dialogue (max 3 bidders), and debrief unsuccessful bidders	7 Feb 22
Second stage dialogue	7 Feb 22 to 4 March 22
Publish Invitation to Submit Final Tender	7 March 22
Final Tender submission deadline	18 March 22
Evaluation/moderation	w/c 21 March 22
Executive Meeting	27 April 22
End of scrutiny call in period - 10 working days	11 May 22
Contract Award Decision	12 May 22
Issue standstill letters	13 May 22
End of standstill - 10 working days	23 May 22
Contract signature	1 Jun 22
Provision of contractor's accepted programme	1 Dec 22
Start on site (infrastructure, enabling and site preparation)	1 Mar 23
Start of housing development	1 Oct 23
Start of first housing unit (foundations laid)	1 Mar 24
Practical completion (Building Control sign off of last housing unit)	28 Feb 25
Project completion	1 Sep 25

These are target dates and may be subject to change. They are being discussed with Homes England.

Governance

The Commissioning Plan for this procurement was approved at Full Council on 19 July 2021.

JLL have been appointed to lead the procurement, with legal support from Bevan Brittan. A project team of officers from across NSC is providing the client function, led by the Head of Placemaking & Development with representatives from Procurement, and other members of the Development Team. This project team reports to the Assistant Director for Placemaking and Growth and to the council's Capital Programme Board.

The procurement process is expected to take approximately 8 months.

The contract award decision report recommending the appointment of the successful bidder as the selected developer will be an Executive Committee decision, scheduled to be made in April 2022.

A consultative member working group comprising the Chairman of the Place Policy and Scrutiny Panel, Executive Member for Placemaking and Economy and local ward members has been established to discuss and approve the contents of this Procurement Plan and help guide the procurement process.

Market / suppliers

JLL were commissioned in September 2020 to undertake pre-marketing due diligence and to carry out a soft market test to an agreed shortlist of parties.

This exercise was targeted at a limited number of SME developers and Housing Associations who might be interested in undertaking a joint venture with the council to develop out the proposed scheme.

The principles of the development stated above were shared with the targeted list together with documentation used for the second consultation exercise and other information. Of the 17 parties contacted, eight confirmed their interest and ability to complete the questionnaire. In addition, two unsolicited approaches were received from other organisations.

The results of the soft market testing were positive in confirming credible market led interest willing to adhere to the criteria set out. Further analysis of the responding organisations breaks them into three distinct categories:

- a) Organisations that are developers of housing either undertaking the construction in house or with a set of known contractors (total of six organisations). These appear the most likely candidates for this development.
- b) Organisations that are fundamentally housing providers, who would need to contract out the construction work (two organisations). These could potentially be suitable for the development, but only if able to contract the construction work within timescales for the start on site in March 2023.
- c) Organisations that would rather develop the site using their own designs, one of whom would be using its own modular homes designs (two organisations). These are not likely to be suitable for this site as they be unlikely to fit with the council's criteria.

Soft market testing has also been carried out with a range of Registered Providers of affordable housing known to be active in the area. This has confirmed the potential range of affordable values, which will be used to benchmark and check information on values submitted by bidders.

Although the feedback received from the soft market testing exercise was on balance positive, the combination of council requirements including Passivhaus, use of Modern Methods of Construction, pace of delivery and contractual structure/building lease will challenge the bidding community.

Evaluation

The evaluation panel will consist of at least two representatives from North Somerset Council, plus JLL. Bevan Brittan will provide advice and support on the legal evaluation of the contract mark-up and additional internal or external specialists with expertise in design, MMC, sustainability and/or any other elements required may be accessed to provide advice on

relevant criteria. The Strategic Procurement Service will provide support throughout the procurement process.

There will be clarification / dialogue meetings with bidders during the tender stage prior to the commencement of the Final Tender stage of the competition.

Other than where stated, the following matrix will be used for scoring quality criteria:

Score	Classification
9 – 10	Excellent
7 - 8	Good
5 – 6	Satisfactory
3 - 4	Weak
1 - 2	Inadequate
0	Unsatisfactory

The evaluation team anticipates that a response to a question would not score as Excellent unless meeting and exceeding the guidance on requirements provided to bidders.

Evaluation of bidders’ legal submissions will be on a pass/fail basis at the Outline Solutions stage. Bidders will be asked to confirm that they accept the main terms of the contract as set out in the tender documents and that their Outline Solution submissions (including the financial model) are made on this basis. Bidders who are invited to participate in the Final Tender stage will have the opportunity to discuss the detailed contract terms with the council during the dialogue sessions, which will be made clear in the Invitation to Submit Outline Solutions document. Bidders will be invited to submit a mark-up of the contract documents with their Final Tender submission (see below for more information on how this will be scored).

a) Selection Questionnaire criteria

In addition to pass/fail technical requirements, and the provision of three relevant case study examples (including references), the initial selection will score bids against the following project specific questions which will be scored:

Experience of delivering similar development proposals (scale and quality)	20%
Sustainability and low carbon (specifically PassivHaus experience)	30%
Modern Methods of Construction (MMC)	25%
Delivering at pace	25%

The council will reserve the right to exclude bidders who score less than 4 on any question.

The top five scoring bidders following evaluation of SQ responses will be invited to proceed to the Invitation to Submit Outline Solutions stage.

b) Invitation to Tender (Outline and Final)

Bids at this stage will be scored with a weighting of 80% quality and 20% price.

(i) Quality criteria:

Proposed quality criteria and weightings are detailed in the table below:

	ISOS	ISFT
Sustainability, environment, and low carbon development	30%	25%
Design and community	30%	25%
Project team, programme, risk mitigation and project management	15%	20%
Modern Methods of Construction	15%	15%
Social value	10%	10%
Legal	Pass/fail	5%

The top three scoring bidders will be invited to continue dialogue and proceed to the Invitation to Submit Final Tenders stage.

Evaluation criteria for quality, with the exception of the legal criteria, will be scored 1 – 10 as above, then weighted by relevant importance.

The evaluation team anticipates that a response to a question would not score as ‘Excellent’ unless meeting and exceeding the guidance on requirements provided to bidders.

Proposals that incorporate material deviations from the requirements stated below will be scored down and may be excluded from the tendering exercise:

- Compliance with the requirements of grant funding agreements in respect of enabling works, use of MMC, levels of affordable housing and delivery at pace/programme requirements.
- Use of the novated Mikhail Riches design team.
- Delivery of the planning consent including all associated plans.
- All the houses (excluding number 2) to achieve Passive House Classic standard and certification (or higher) and all bungalows (and house number 2) to achieve Passive House PHI Low Energy Building Standard and certification (or higher).
- Provision of 15 affordable units (split 12 social rent and 3 shared ownership) as per the planning consent.
- Delivery of housing accessibility enhancements as per the planning consent.
- A solution that is based on “nil gas” to domestic properties.

In relation to the legal criteria, bidders will be required to submit a mark-up of the Development Agreement (both Agreement for Lease and Lease) at Final Tender stage. This will, need to be consistent with the mark-up negotiated on during the dialogue stage of the competition. The legal mark-ups will be scored in accordance with the table below:

Score	Meaning
9 - 10	No amendment: the contract is accepted in its current form, without any amendments, or only amendments that are beneficial to the council.
7 - 8	Amendments not significant and supported: minor amendments with good reasoning / identification of benefits.
5 - 6	Amendments no significant: the submission contains minor amendments with limited reasoning / identification of the benefits.

3 - 4	Amendments of moderate significance: amendments that do not meet the council's required risk position and are of moderate disadvantage to the council due to the number and/or seriousness of the derogations proposed.
1 - 2	Amendments significant: amendments that do not meet the council's required risk position and are of major disadvantage to the council due to the number and/or seriousness of the derogations proposed.
0	Amendments highly significant: amendments that do not meet the council's required risk position and are unacceptable to the council due to the number and/or seriousness of the derogations proposed.

The consideration of legal criteria will include consideration of any proposed changes to overage arrangements set out in the Development Agreement.

The council will reserve the right to exclude bidders who score less than 4 on any Quality question.

Social Value:

Considering the Public Services (Social Value) Act 2012, bidders will be required to outline their social value proposals. The bidders' responses must include detailed, clear, specific, measurable commitments based on the guidance provided in the councils Social Value policy.

10% of the quality weighting will be for additional social value offered by bidders (over and above their Section 106 requirements), in accordance with the council's Social Value Policy. The bidders will be expected to propose tangible specific commitments relating to the social value outcomes below:

- Increased employment to local people.
- Increased employment to those most removed from the labour market.
- Increased employment to young people.
- Increased use of local supply chain.
- Reducing negative and promoting positive environmental impacts.
- Increased health and wellbeing for all.
- Supporting schools and life-long learning.
- Developing cultural heritage.
- Stronger local voluntary/community sector.

(ii) Price:

Price will be assessed according to the price offered for the land, calculated on a Net Present Value (NPV) basis using a discount rate of 3.5%. The NPV calculation will allow bidders to put forward different payment schedules according to what best fits with their scheme but will also ensure a consistent basis for comparison. The NPV calculation produces the prices offered at a common date through discounting any future payments.

The highest NPV price offered will be scored as 100%. Other bids will be scored proportionately, e.g. if the highest total NPV bid is £10m and the next is £8m, then the top bid will score 100% of the potential maximum score (in this case 20%). The £8m will score 80%, which would equate to 16% of the total weighting.

Bidders will be required to support their offers with financial evidence including the following:

- A development appraisal in excel or Argus format including detailed cashflow.
- Completion in full of a financial proforma template providing information on assumptions such as sales values, sales rates, construction costs, professional fees, finance rates and profit levels.
- Sufficient evidence to support each of the financial assumptions.
- Information on the proposed use of the £481,028 Land Release Fund, and how this will comply with funding terms.

In the event that the council considers a tender to be have offered an abnormally high land price that it suspects compromises the delivery of the scheme, it will reserve the right to investigate how the bidder can deliver the proposal and to request the bidder to further explain and/or justify the proposed land price and why it considers the scheme is deliverable on that basis. If, having considered the bidder's justification and/or explanation of the proposed land price, the council is satisfied that the tender price is indeed likely to be undeliverable / unachievable then it will be at liberty to reject the tender.

Overage provisions

Overage provisions are expected to be included in the Development Agreement. Any amendments to the overage provisions will be considered within the scoring of legal criteria.

Affordable housing

A baseline requirement of the tender will be the provision of 30% affordable housing; however the council wishes to maximise this aspect.

At Final Tender stage, it is proposed that bidders be asked to submit two prices for the land. The first will reflect the 30% baseline as above, and will be the basis on which bids are evaluated.

The second will be a price based on the provision of additional affordable housing, expected to be an additional 10% so as to bring the total up to 40%. The council can then decide whether to opt for this increase in provision and will be able to use the dialogue periods to agree any further specifications such as the mix of house sizes and tenures.

Contract management

The contract will include provisions for the selected developer to fund the cost of contract management over the term of the contract which will provide the Council with the resources necessary to undertake contract management either in-house or via external consultancy.

Following the contract award, a detailed Contract Management Plan will be produced jointly by the Procurement Manager and the assigned Contract Manager. It is proposed that initially formal monthly performance meetings will be held at which the developer will provide reports in formats specified by the Council.

The developer will provide all necessary information to enable a clear, robust understanding of the outcomes achieved against the programme. The contract will form part of the council's quarterly contract performance monitor.

4. Options considered

Other options considered in relation to the procurement include:

- The introduction of further stages of evaluation and short-listing within the procurement process. This was ruled out due to the timescales required by Homes England funding and because of the likely market of SME developers who will lack capacity to respond to an overly complex process.
- A different weighting of the various criteria, including a different weighting of price and quality at final stage. The proposals above have been discussed with finance colleagues and members and are felt to strike the appropriate balance in relation to the council's objectives.

In addition, consideration was given to different forms of contract or partnership working.

These were initially explored and explained in the Commissioning Plan for this project, and a Joint Venture (JV) approach was recommended as providing the optimum balance of control, risk, and reward.

Advice from JLL is that a contractual JV is recommended rather than a corporate JV. A corporate JV is complicated and expensive to set up and unlikely to be efficient or attractive in relation to a site of this relatively small-scale.

A contract in the form of a Build Lease was pursued in relation to the council's recent procurement of a development partner for land at Parklands Village. The contract works in that the developer invests and delivers the development, but the transfer of land only takes place once the homes in question are completed to the necessary specification. This gives the council a high degree of control over the final product and is the recommended approach.

5. Financial implications

Costs

£557,459 has been spent on this site in securing planning consent, preparing cost reports and on soft market testing.

The costs of the procurement process are estimated at around £160k, including property and legal advice.

These costs exclude staff time, which has been and continues to be significant.

The capital costs of developing the site are estimated at around £16m (excluding land price).

Funding

The design and development of the proposals for this site have been funded through £557,510 Local Authority Accelerated Construction grant received from Homes England. The majority of this funding was been received prior to the extended claim period ending on 30th June 2021.

A further £55,000 has been awarded by Homes England to fund the work to procure a development partner and enter into a Joint Venture. It is possible that additional funding may be needed to meet the full costs of procurement and legal negotiations. An allocation of up to £105,000 has been made from the Driving Growth reserve to cover this, if required.

Capital works at the site will be supported by £481,028 grant from the One Public Estate Land Release Fund. This is proposed to be passed to the developer through the Joint Venture and must be used to deliver capital enabling works, specifically site clearance, groundworks and access.

Receipts / income

The estimated land price receipt from this site is expected to be in the realm of £1.57 to £2.1m, however the procurement process will seek the maximum receipt within the quality parameters required. The receipt could also be lower, subject to the market's response and the final costs of development. The receipt may be a single payment or more likely phased over the build period.

The Gross Development Value of this site (i.e. the total income from the house sales) has been estimated at over £20m. This needs to cover the construction costs, outlined above, as well as the land value and development profit.

In the event that the council secures a land receipt in excess of £2,987,479, the excess shall be paid to Homes England as partial grant recovery. Note that any overage due under the terms of the Development Agreement is excluded from any potential Homes England grant recovery and will remain with the council.

6. Legal powers and implications

The Local Government Act 1972 gives the Council the power to dispose of land held by it in any manner it wishes provided that the council achieves the best consideration that can reasonably be obtained.

The procurement process will be compliant with the Concessions Contracts Regulations 2016. The council has appointed external legal advisors to advise on the procurement process and to prepare the relevant contract documentation.

The procurement process will be compliant with the Public Services (Social Value Act) 2012 by ensuring it seeks additional social value during the tender process.

The council must ensure that the disposal and delivery of the site is in line with the contractual terms and conditions of the Homes England and One Public Estate funding of the scheme.

7. Climate Change and environmental implications

This development seeks to be an exemplar of environmental sustainability. Features of the scheme include:

- All homes to be Passivhaus certified. This represents a very high standard of sustainability which also helps ensure good build quality and low energy bills.
- The scheme will not include any provision of domestic gas.
- A landscape led approach, with a high proportion of green space.
- Electrical vehicle charging for all homes, as well as contributions to fund an electric vehicle car sharing club.
- Planning policies require a Habitat Regulations Assessment demonstrating ecological mitigations and enhancements.

In addition, Bidders will be asked to set out practical measures on how sustainability and carbon reduction can be optimised during the construction phase.

The procurement process will emphasise the importance of this sustainability ethos and target development partners who will be willing and able to deliver to the required standards. This should also emphasise the need for the development partner to target occupiers who are interested in a sustainable lifestyle.

8. Consultation

Details of consultation on the proposals for this site are detailed in the Commissioning Plan.

Consultation on procurement proposals has been undertaken through a Member Working Group comprising the Chairman of the Place Policy and Scrutiny Panel, Executive Member for Placemaking and Economy and local ward members. In response to the comments of this group, amendments and additions to the procurement materials have been made, including:

- Increased focus on the sourcing of MMC panels as part of sustainability considerations.
- Additional requirements in relation to the promotion of a strong sense of community and place.
- A request that bidders seek to promote and facilitate the occupation/purchase of homes by local residents from the Nailsea area.

The member group will be kept updated throughout the procurement process and consulted on any key strategic decisions about the procurement criteria.

Finance, legal and procurement colleagues have also been consulted.

Market consultation and engagement has taken place through the soft market testing by JLL described above.

9. Risk management

Key risks and mitigations are as identified in the table below:

Risk	Mitigation
The procurement timeframes are delayed or unachievable, which impacts the ability to meet grant funding requirements, including start on site date.	<ul style="list-style-type: none"> • Specialist legal and property advice on designing the process to ensure compliance with timescales. • Close monitoring of progress. Any potential for delay will need to be communicated to funders at the earliest possible stage.
Insufficient interest from developers, or lack of interest from suitable companies who are willing/able to meet the criteria set by NSC and funding partners.	<ul style="list-style-type: none"> • Soft market testing has identified positive demand. • Specialist consultants are advising on structures, procurement and marketing to optimise interest from suitable partners.
Financial return is less than expected.	Specialist consultants advising on design of process and requirements to maximise interest and return within the criteria set by NSC.
The appointed partner defaults on the scheme or fails to deliver some of the specified requirements.	<ul style="list-style-type: none"> • Legal and property advice to ensure a robust contractual arrangement that protects NSC's interests and requirements. • Development agreement to ensure strong governance of the partnership/contract and to include funding for compliance monitoring.
Staff resource is inadequate to support process.	<ul style="list-style-type: none"> • Consultants supporting process. • Monitoring/management of staff time and priorities.

10. Equality implications

Have you undertaken an Equality Impact Assessment? Yes

A first-stage EIA for the development was appended to the Commissioning Plan. A second-stage assessment will be required at award of contract stage.

The procurement of a development partner will include a contractual requirement for the partner to ensure compliance with Equalities legislation. Criteria for the procurement will seek to protect the aspects of the development which are of benefit in relation to equalities impacts, for example the provision of additional adaptable and accessible homes.

The planning consent for this site complies with the requirements of the Local Plan and other planning policies, which have been subject to EIA assessments.

11. Corporate implications

This proposal supports the Corporate Plan objective of creating a Thriving and Sustainable Place, in particular “the delivery of a broad range of new homes to meet our growing need, with an emphasis on quality and affordability”.

The resourcing of the procurement of a development partner and delivery of development will be led by the Development Team, with support from procurement and legal colleagues.

The scheme is estimated to generate a financial return of £1.5 – 2.5m (but could be either higher or lower) which will support delivery of the council’s wider capital programme and priorities.

Appendices

None

Background papers

Council report: Business Case and Commissioning Plan for development of council-owned land to the south of The Uplands, Nailsea, 19th July 2021: <https://n-somerset.moderngov.co.uk/documents/s1285/20%20Development%20Programme%20Business%20Case%20and%20Commissioning%20Plan%20for%20Development%20of%20Council-owned%20Land.pdf>

Uplands planning application: <https://planning.n-somerset.gov.uk/online-applications/applicationDetails.do?keyVal=QFKEOMLPHBT00&activeTab=summary>

Signatories:

Decision-maker(s):

Signed:  Executive Member for Placemaking & Economy

Date: 3 November 2021

With advice from:

Signed:  Director of Place

Date: 2 November 2021

Signed:  Head of Strategic Procurement

Date: 2 November 2021