

Procurement Board meeting held in the Civic Centre, Chorley Road, Swinton, M27 5DA

26th January 2022

Meeting commenced at 10:00am

Meeting ended at 10:37am

Present in Person

Councillors Hinds (in the chair), Merry and Youd.

Attendance in Person

Carol Eddleston	Democratic Services
Chris Hesketh	Head of Financial Management
Anthony Hilton	Head of Strategic Procurement
Gillian Holt	Principal Officer (Development)
Dylan Vince	Project Manager Technical

1. Apologies for Absence

Apologies for absence were submitted on behalf of City Mayor Paul Dennett and Councillor Kelly.

2. Declarations of Interest

Councillor Merry declared a personal interest in items 5(a) and 5(b) as a number of the units were to be disposed of to Dérive upon completion. He was nominated to Dérive by Salford City Council and had been appointed chair of the board.

3. Minutes of Proceedings

The minutes of the meeting held on 12th January 2022 were approved as a correct record.

4. Matters Arising

There were no matters arising.

5. Decision Items – Part 1 – Open to the Public

5(a) Request for Approval – Contract Award – Construction Phase of the Design and Build of 177 New Homes at Longshaw Drive, Little Hulton

As a number of the units were to be disposed of to Dérive upon completion Councillor Merry declared a personal interest. He was nominated to Dérive by Salford City Council and had been appointed chair of the board.

Consideration was given to a report of the Strategic Director Place seeking approval to award the contract for the Constructor Partner for the construction phase of the design and build of 177 new homes at Longshaw Drive.

The project was currently at RIBA stage 4 (final design stage) and all information was in place to enable the construction of the project to progress. There were some unresolved historic title defects on part of the site that currently impacted on the Council's leasehold ownership and officers were continuing to progress to a conclusion. The remainder of the site was in the council's full ownership

and an option was being explored with Crossfield Construction Ltd. to confirm whether works could be phased to develop the fully owned part of the site first with a subsequent development on the remaining part once the title defects were resolved. A delegated authority to officers to award the contract in phases up to the full amount of the project would enable the development to start as anticipated whilst ongoing title defects were being resolved. A contract would not be entered into in relation to the affected part of the site until these issues were resolved.

On completion of the development the intention was for the majority of units within the scheme to be disposed of to Dérive with the majority for social and affordable housing but with some PRS units. The remaining units would be sold to private owners.

The programme had been developed to achieve the delivery of contracts to meet the Brownfield and Homes England grant funding criteria and the necessary phased completion dates. Confirmation of the Homes England Grant was expected in January and contracts would not be completed until funding was in place. Officers were currently working to resolve a number of title issues on part of the site that currently impacted on the Council's leasehold ownership.

Members of the board acknowledged that Crossfield Construction Ltd's signing up to the City Mayor's Employment Standards Charter had been delayed due to a change in personnel but were disappointed at the lack of progress since July 2021 when Procurement Board had approved the company's appointment as constructor partner. Members requested confirmation that the company already paid at least the Real Living Wage to all of its staff.

Members noted that it was proposed that the Strategic Director Place would be delegated authority in conjunction with the Section 151 Officer to award the contract in phases and sought assurances around the risks associated with this project upon learning that Sefton Council had terminated a contract with Crossfield Construction Ltd in late 2021.

Officers confirmed that the termination of this contract had been discussed with the contractor and full due diligence would be completed before a contract for the construction phase would be entered into.

It was agreed that a report would be brought back to the next meeting to assure members of the board that the issues above had been fully explored to the satisfaction of the Strategic Director Place.

RESOLVED, THAT: the City Mayor be recommended to approve:

- the award of the contract to Crossfield Construction, to act as Construction Partner, for the construction phase of the design and build of 177 new homes at Longshaw Drive as outlined below:
- the overall development budget of £36,064,440 – Contractor Costs £34,202,711 and Salford City Council costs £1,861,729 (for statutory costs, surveys and fees).
- the title issues affecting part of the site and that a contract with Crossfield Ltd will not be entered into in relation to this section of the site until these matters have been resolved.
- delegated authority to the Strategic Director of Place in conjunction with the Section 151 officer to award the contract in phases up to the full amount of the project, subject to
 - confirmation that Crossfield Construction Ltd. is already paying at least the Real Living Wage to all employees, and

- provision of a report to the next meeting of the Procurement Board on possible risks.

5(b) Request for Approval – Contract Award – Construction of 68 New Homes at the Former St Luke’s Church of England Primary School, Eccles New Road

As a number of the units were to be disposed of to Dérive upon completion Councillor Merry declared a personal interest. He was nominated to Dérive by Salford City Council and had been appointed chair of the board.

Consideration was given to a report of the Strategic Director Place seeking approval to award the contract for the construction of 68 new homes at the former St Luke’s Church of England Primary School, Eccles New Road.

The project was currently at RIBA stage 4 (final design stage) and all information was in place to enable the construction of the project to progress. Full ownership control of the site had not yet been secured. This was continuing to be progressed and monitored closely and the contract with G&J Seddon Ltd would not be entered into until full ownership was acquired. On completion of the development the intention was for the units to be disposed of; a proportion of units to Inspiring Housing and the remainder to Dérive, subject to successful applications for both organisations to become Registered Providers.

Members of the board acknowledged that G&J Seddon Ltd had a longstanding successful working relationship with the council and was already signed up to the City Mayor’s Employment Standards Charter and was an Accredited Living Wage Employer.

RESOLVED, THAT: the City Mayor be recommended to:

- Approve the award of the contract to G&J Seddon Ltd, to act as Construction Partner, for the construction phase of the design and build of 68 new homes at the former St Luke’s Church of England Primary School.
- Approve the overall development budget of £13,287,950 – Contractor Costs £12,837,554 and Salford City Council costs £450,396 (for statutory costs, surveys and fees), and
- Note that full ownership control of the site has not yet been secured and that a contract with G&J Seddon Ltd will not be entered into until the full ownership is obtained.

5(c) Request for Approval - Contract Award – Construction of 45 New Homes at the Former Irwell Valley Campus off Blandford Road

Consideration was given to a report of the Strategic Director Place seeking approval to award the contract for the construction of 45 new homes at the former Irwell Valley Campus off Blandford Road.

The project was currently at RIBA stage 4 (final design stage) and all information was in place to enable the construction of the project to progress. On completion of the development the intention was for the units to be disposed of to the Broughton Trust subject to their successful application to become a Registered Provider.

RESOLVED, THAT: the City Mayor be recommended to approve:

- the award of the contract to G&J Seddon Ltd, to act as Construction Partner, for the construction phase of the design and build of 45 new homes at the former Irwell Valley Campus off Blandford Road, and
- the overall development budget of £8,720,943 – Contractor Costs £8,412,187 and Salford City Council costs £308,756 (for statutory costs, surveys and fees).