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Planning

North Lanarkshire Council - New Supply Development Pathfinder (2021 / 22)

North Lanarkshire Council

F01: Prior information notice

Prior information only

Notice identifier: 2021/S 000-003894

Procurement identifier (OCID): ocds-h6vhtk-02969e

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Section I: Contracting authority

I.1) Name and addresses

North Lanarkshire Council

Civic Centre, Windmillhill Street

Motherwell

ML1 1AB

Email

newhousingsites@northlan.gov.uk

Country

United Kingdom

NUTS code

UKM84 - North Lanarkshire

Internet address(es)

Main address

<http://www.northlanarkshire.gov.uk>

Buyer's address

https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA00010

I.3) Communication

Additional information can be obtained from the above-mentioned address

I.4) Type of the contracting authority

Regional or local authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

North Lanarkshire Council - New Supply Development Pathfinder (2021 / 22)

II.1.2) Main CPV code

- 70121000 - Building sale or purchase services

II.1.3) Type of contract

Services

II.1.4) Short description

North Lanarkshire Council (the Council) are undertaking an innovative 'development pathfinder' approach for the purchase of newly built new affordable homes for social / affordable housing in North Lanarkshire

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 70121000 - Building sale or purchase services
- 70121200 - Building purchase services
- 70122000 - Land sale or purchase services
- 70122200 - Land purchase services
- 70122210 - Vacant-land purchase services
- 45211000 - Construction work for multi-dwelling buildings and individual houses
- 45211100 - Construction work for houses
- 45211300 - Houses construction work

II.2.3) Place of performance

NUTS codes

- UKM84 - North Lanarkshire

II.2.4) Description of the procurement

North Lanarkshire Council (the Council) are undertaking an innovative 'development pathfinder' approach for the purchase of newly built new affordable homes for social / affordable housing in North Lanarkshire.

The scale of the Council's ambitious new build programme presents a number of delivery challenges, not least in procuring enough homes that meet the required standard and which can be delivered in a cost-effective and timely way. Therefore it is proposed to expand the use of 'off the shelf' acquisitions of completed homes from private developers.

The Council already acquires completed homes from developers on private sector sites as part of developers' affordable housing policy obligations in the Cumbernauld housing market area and in Ravenscraig, Motherwell. At time of publication of this Prior Information Notice, 117 homes have been purchased in this way with agreement for a further 104 to be purchased in future.

In addition to the agreement detailed above, a 'development pathfinder' approach is proposed whereby the Council would proactively engage with developers about bringing forward private sector housing sites, on which the Council may be able to purchase properties. This approach may bring forward additional affordable homes and reduce both costs and risks associated with the Councils new build programme. It may also be attractive to developers as it could de-risk their investments (by providing a guaranteed buyer for at least some of the homes on a site) and secure their supply chains. It may also enable the development of alternative tenures, including mid-market rent and shared equity. The approach could therefore help stimulate private sector delivery, attracting new jobs and residents into North Lanarkshire

Under the development pathfinder approach, the Council would not undertake a formal procurement procedure by issuing tender documentation specifying its requirements for a particular site etc. Instead, the Council would engage directly with the market, providing outline guidance on its ambitions on the location, site mix etc. for acquisition of units in particular geographical areas.

The Council would, in asking developers to come forward with proposed sites, be under no obligation to purchase homes. The Council would, on a case by case basis, have to satisfy itself that it is acting within its powers, reflecting on its obligations under procurement legislation. Any proposals received would be evaluated to ensure value for money can be demonstrated. This approach would by necessity result in less control being exercised by the Council in respect of the design of homes that may be built and the pace of development, relative to those projects where the Council acts as employer in a traditional works contract. Any agreements made with developers will be subject to a 'longstop' set out in missives, enabling the Council to break the agreement should the development not be delivered within the required timescales.

To ensure that the Council can effectively engage with interested parties and efficiently consider and respond to any enquiries and proposals made, the Council will pilot this approach across North Lanarkshire where there is higher demand and / or a significant re-provisioning programme. As outlined above private housing sites in the Cumbernauld housing market area are already subject to obligations in respect of the Affordable Housing Policy - SPG 13

(<https://www.northlanarkshire.gov.uk/planning-and-building/planning-applications/our-supplementary-planning-guidance>) which can result in the Council, or a housing association, purchasing homes from developers.

II.3) Estimated date of publication of contract notice

31 March 2022

Section IV. Procedure

IV.1) Description

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

Section VI. Complementary information

VI.3) Additional information

The process for engagement with the market for this development pathfinder approach is as follows:

-This advert prepared and placed on the Public Contract Scotland stating that the Council are looking for set numbers of certain sizes of homes within designated Council housing areas.

-Interested parties who feel that they meet the parameters outlined should submit their proposals to newhousingsites@northlan.gov.uk

-All proposals submitted will be assessed by the Council to determine if the proposals meet the Council's requirements in terms of cost, quality and type of housing

-Following assessment of proposals and any further negotiations, the developer and the Councils Estates team would agree a price that is value for money for the Council. The Council are seeking to secure a bulk purchase discount that would be negotiated on a site by site basis.

-Missives would be agreed between the developer and the Council.

-Payment method would be agreed between the developer and the Council with methods such as turnkey purchases or payment at agreed stages being considered on a site by site basis.

Proposal Requirements and Assessment

Proposals received will be evaluated to determine if they meet the Council's requirements over a number of factors including (but not limited to) cost, quality, locality and type of housing.

All proposals received by the Council will be assessed in an equal, fair and transparent

manner to ensure sites proposed meet the demands of the Council.

Proposals must be:

- for sites designated as suitable for housing in the current or emerging Local Development Plan ([https://www.northlanarkshire.gov.uk / index.aspx?articleid=16016n](https://www.northlanarkshire.gov.uk/index.aspx?articleid=16016n));
- of the right type and in the right location to meet housing needs of the Council;
- for homes which meet the required accessibility and sustainability standards for new social homes (Housing for Varying Needs and Silver Aspects 1 and 2 or their industry standard equivalents);

Other Requirements

- Company must own or have an option on the site.
- Site must already be allocated to housing use.
- If wheelchair provision is possible then this would be a plus point.

Interested parties should be aware that this Prior Information Notice is being issued by the Council for the purposes of communicating its requirements with the wider supply market. The Councils requirement is not subject to the Public Contracts (Scotland) Regulations 2015 by virtue of Regulation 11.1(a).

The Council reserves the right to clarify and seek additional information in regards to any proposals received.

The Council is under no obligation acknowledge receipt, clarify, accept, provide feedback or respond to any proposal that may be received.

The deadline for submitting proposals is 31st March 2022.

For further information on the development pathfinder approach, please email your query to newhousingsites@northlan.gov.uk

NOTE: To register your interest in this notice and obtain any additional information please visit the Public Contracts Scotland Web Site at https://www.publiccontractsscotland.gov.uk/Search/Search_Switch.aspx?ID=644894.

(SC Ref:644894)