



POST PROJECT EVALUATION REPORT

PROJECT NAME: Nar Valley Park Phase 4 (NORA 4 – P-21.04)

PROJECT SPONSOR: David Ousby

PROJECT MANAGER: James Grant / Juliana Fox-River

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Contributors/Reviewers

Name	Role	Date
David Ousby	Assistant Director Programme & Project Delivery	12/04/2024
Vanessa Dunmall	Manager, Programme Management Office (PMO)	12/04/2024

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1. PURPOSE

The purpose of this report is to assess the project, provide evidence that the outcomes defined in the Business Case have been achieved and that the project has been successfully handed over. It is also an opportunity to capture and derive any lessons learned and best practices to be applied to future projects.

On 27th August 2018, Cabinet recommended to Council that the development of NORA 4 should be taken forward as part of the Major Housing contract with Lovell Partnerships Limited. The Cabinet proposal was for a modular development, in partnership with Legal & General (L&G) Modular Homes - subject to the scheme financial appraisals being equal to or better than a traditional development. This appraisal also considered funding from Homes England, which offered to accelerate the development, and subsidy from L&G, to demonstrate the advantages of this system. In the event that the modular scheme became unviable, officers were authorised to proceed, using more traditional methods of construction.

The land developed at Phase 4 at Nar Valley Park was acquired from the Receiver of Morston Assets in December 2016, following Morston Assets going into receivership the year before. The council purchased around 21 acres and paid £850,000 (an average of £40,476.19 per acre), which considered the cost of remediating the land, including the capping strategy. As part of the negotiations for the land, £1.5 million was deducted from the housing land value to resolve these issues. The housing land (6.7 acres) amounts to a value of £271,190; this, therefore, resulted in a negative land value of £1,228,810.

In October 2019, Legal & General Modular Homes withdrew their support from the scheme due to financial viability. This was a direct consequence of the increase of ground works costs, following detailed ground investigations.

Following discussions with the then Portfolio Holder, it was agreed that the scheme should be progressed as a traditional build project, in line with the Cabinet and Council approval in 2018.

2. SCOPE AND SUMMARY OF APPROACH

As set out in the Cabinet Report of 13th January 2015, Lovell Partnerships Ltd was the preferred bidder for the delivery of the Major Housing Programme, under a DMA (Development Management Agreement). This contract, signed on 30th April 2015, permits the initial design of the housing schemes, to prepare them for Planning.

This partnership with Lovell allows a maximum of 1,000 housing units to be built. To-date, it has allowed the council to deliver Marsh Lane (130 units), Lynnsport 4&5 (89 units), Lynnsport 3 (54 units) and NORA 4 (105 units). Ongoing and future schemes include Southend Road (32 units), Salters Road (78 units), Parkway (226 units) and Lynnsport 1 (96 units).

Once Planning is permitted, the scheme is reassessed and a PPC (Project Partnering Contract) 2000 is entered into. For NORA 4, this contract was signed on 22nd October 2020, for £16,865,527.77. This included design fees and other costs incurred by Lovell under the DMA.

After the PPC agreement, the project scope has not materially changed to project closure.

3. SUMMARY OF THE PROJECT'S PERFORMANCE

The overall performance of the project was positive, considering all the issues the Project Team and partners had to deal with during its lifetime (e.g., COVID 19, global supply issues, companies going into administration, etc.)

Key points that the Project Team note:

- The Corporate Project Team structure changed during the project, and staffing issues (including the Clerk of Works absences) placed significant strain on resources. The Team adapted well and did not let this escalate to a bigger issue;
- Council's own companies, West Norfolk Housing Company (WNHC) and West Norfolk Property Ltd (WNPL), and their governance/ financial structure has impacted on the scheme outputs (as informed on item 4.1 below);
 - WNHC presented delays in allocating residents to Affordable Rent housing and a much longer process to transfer the Shared Ownership ones (when compared to traditional sales);
 - Transfer of properties to WNPL is set within the DMA at 90% of Open Market Value. This reduces the profit share to LPL; however, as the units are currently leased by the council to the company, the council is holding the development cost;
 - The unanticipated availability of Local Authority Housing Fund (LAHF) towards the end of the project required switching tenures of Open Market and PRS plots, impacting on the contractor's ability to deliver on programme;
- Whilst the financial close out of the project is ongoing, the Lovell's PPC has been delivered under budget, during a period of significant financial pressure. For instance, during this period, the BCIS General Building Cost Index would have forecasted an 11.4% increase in costs (Oct 2020 Index 354.2 – June 2023 Index 394.7). These savings are a demonstration of the partnership and its ability to overcome complex setbacks and realise cost-saving opportunities;
- Disposal values, strengthened during the lifetime of the project, further built on the scheme's positive financial position;
- Whilst the project did suffer a number of delays, the Delivery Team worked well to mitigate and recover from them.

4. OUTPUTS

4.1. ACHIEVED (AS DEFINED IN THE BUSINESS CASE)

Output Description	Evidence of delivery			Date
	Business Case (as per Cabinet Report February 2020)	Achieved	Notes	
Private Rental Units	52	48	Delivery of additional LAHF units (Refugee Social Housing Scheme)	TBC – all leased by 11/08/2023
Open Market Sale Units	37	35		All sold by 31/03/2023
Affordable Units	16	22		TBC - ongoing
Nett Surplus	See table on item 4.4 below		Option C on Cabinet Report	TBC – project could be closed out by the end of 2024

4.2. RESIDUAL OUTPUTS EXPECTED

Output Description	Expected evidence of delivery	Date Expected
Road Adoption	Confirmation from NCC Highways that the adoptable roads under this development are under their maintenance	30/09/2024
Management Company handover to the residents	Information updated on Companies House	31/12/2024

4.3. UNEXPECTED OUTPUTS:

Output Description	Expected evidence of delivery	Date Expected
Old bridge sealed off to restrict access and plan for future possible demolition	Barriers installed and surveys to be conducted to determine future of bridge (separate project)	TBC
Public Open Space area outside site red line made good and adopted	Grass has established and is under maintenance of POS Team	30/09/2023

4.4. CAPITAL AND REVENUE FORECASTS VS ACHIEVED (IF APPLICABLE)

Description		Evidence of delivery					Date/ Notes
		Business Case*	PPC Target	Achieved To-date (A)	Expected Future Income (B)	Total (A+B)	
Revenue	Private	£6,560,000	£7,050,000	£7,467,500.00	£0	£7,467,500.00	As at 10/04/24
	Inspirations**	£0	£0	£140,245.07	£0	£140,245.07	
	Affordable (inc. Shared Ownership)	£1,590,000	£1,684,000	£1,142,124.25	£853,351.75	£1,995,476	
	Affordable (LAHF)	£0	£0	£0	£1,202,500***	£1,202,500	
	Private Rental (PRS)	£8,307,000	£8,892,000	£0	£8,936,150	£8,936,150	
	Homes England ACP Grant	£1,340,000	£1,340,000	£1,340,000	£0	£1,340,000	
Costs		£18,565,720	£18,502,000	£17,758,957.09	£157,110.74	£17,916,067.83	
Profit/ (Loss)		(£768,720)	£464,000			£3,165,803.24	
Profit Share Payment *****			£46,000			£316,580.32	
Nett Surplus / (Deficit)		£460,090 *****	£417,600			£2,849,222.92	

* Option C on Cabinet Report from February 2020.

** Inspirations are extra or upgraded items purchased by the buyer. On average, NORA 4 had £4,687.34 of Inspirations purchased per plot.

*** Subject to final negotiations with WNHG.

**** Subject to adjudication of costs.

***** When the scheme is profitable, 90% of the earnings go to the council and 10% will be a payment to Lovell. If no profit is made, then the council takes on the loss.

***** Nett surplus altered to reflect land value adjustment, as detailed within Cabinet Report, to accommodate negative land value.

5. OUTCOMES

5.1. OUTCOMES ACHIEVED

Although there were no formal outcomes defined in the Business Case or the PPC, the partnership with Lovell includes a requirement to deliver Social Value outcomes.

During the NORA 4 contract period, the Principal Project Manager has negotiated the targets to better align with the current Corporate Objectives and market trends. The result is listed below:

Outcome Description	Evidence of realisation		Date
	Target	Achieved	
Social: Apprenticeships/ Trainees created	5-6	11	2022/23
Social: College & School engagements	3	6	2022/23
Social: Affordable Homes (S106 Commitment)	20	20	2022/23
Social: Volunteering/ Community Support	44	102	2022/23
Social: Training – staff development (in weeks)	312	572	2022/23
Social: Training – skills (in person-hours)	200	380.5	2022/23
Social: Community Engagement	4	4	2022/23
Environment: Electric Vehicle Charging Points (at least “EV-ready”)	1-2 per new compound plus new homes	31	2022/23
Environment: Solar Panels	N/A	20	2022/23
Environment: Accessible Green Space	N/A	634m ²	2022/23
Environment: Waste diverted from	95%	99.87%	2022/23

Outcome Description	Evidence of realisation		Date
	Target	Achieved	
landfill			
Environment: CCS (Considerate Constructors Scheme - Independent inspection score)	42	43:43	2022/23
Environment: HVO (Hydrotreated Vegetable Oil) fuel in Lovell plant	100%	100%	2022/23
Environment: EcoCabins as site cabins	100%	100%	2022/23
Environment: Sustainable procurement policies in contracts	100%	100%	2022/23
Economic: Supplier base location	Norfolk: 40%	Norfolk: 43.7%	2022/23
Economic: Subcontractor classified as a SME (Small and medium-sized enterprise)	25%	97.6%	2022/23
Economic: Estimated Workforce (monthly average on site)	N/A	Staff: 233 Subcontractor: 730	2022/23
Economic: Living Wage*	100%	100%	2022/23
Economic: Promoting Responsible Business Practices	100%	100%	2022/23
Economic: Ethical Business Training (for Major Housing Partnership staff)	N/A	100%	2022/23

* Directly employed staff paid the Living Wage and Real Living Wage (excluding apprentices who are paid in accordance with CIJC (The Construction Industry Joint Council) rulings to their age and skill)

Source: [BCKLWN Social Value Report 2022](#)

Lovell have shown to be a good, conscientious partner; consistently delivering over and above their social value commitments.

5.2. OUTCOMES NOT ACHIEVED

Outcome Description	Reason not achieved			Impact
	Target	Achieved	Notes	
Environment: Lovell business-wide emissions	Group Net-Zero by 2030	50%*	* Against 2019 baseline	To be checked again closer to 2030
Economic: Subcontractor base location	Norfolk: 60% West-Norfolk: 33% Within 30 miles of site: 40%	Norfolk: 51% West-Norfolk: 24% Within 30 miles of site: 39%		
Economic: Supplier base location	West-Norfolk: 33% Within 30 miles of site: 35%	West-Norfolk: 24.6% Within 30 miles of site: 32.3%		

5.3. RESIDUAL OUTPUTS EXPECTED

N/A

5.4. UNEXPECTED OUTCOMES

Outcome Description	Evidence of realisation	Date
Creating Communities event in South Lynn	C. 30 people attended the event; 14 of them provided their feedback (all positive). Their comments were collated and will form part of a future strategy document for community engagement and placemaking. Initial findings showed that having information on services and activities available in the area has helped them to settle in their new home.	Event: 12/08/2023

6. RISKS AND ISSUES

This section shows the six risks that the project team feel were key.

Risk or issue	Outcome	Status
Risk: Inflation impact on materials and labour	Inflation increased since the beginning of the project; the impact was mitigated by purchasing materials early, taking advantage of nearby storage.	Closed
Risk: Ground engineering solution being trialled on site	Weather and ground conditions impacted the works. This has been feedbacked to future schemes and mitigation processes included the trial of iHouse.	Closed
Risk: Unknown site composition included buried piles	Site Clearance works were conducted early, which mitigated the risks of hitting buried piles when piling for foundations.	Closed
Risk: Supply chain instability	Trades of subcontractors were impacted by the economic crisis. Additional procurement was conducted to appoint new firms, after previous ones being unable to cope with demand.	Closed
Risk: Housing market pressures	Cost of living increase could have impacted the sales on this scheme; however, flexibility to turn Open Market plots into PRS and Affordable (additional grant obtained) mitigated this risk.	Closed
Risk: ACP Funding	The Accelerated Construction Programme Funding from Homes England required the delivery pace of the units at 130% (in comparison to a traditional house building programme), the use of Modern Methods of Construction (MMC); and placed an administrative burden on the project. Failure to meet Homes England targets would have risked the availability of funding and impacted on the relationship between the two organisations, and their trust in the council to successfully deliver schemes.	Ongoing – until officially completed with Homes England

7. FORWARD ACTIONS

Area	Description	Owner	Status	Delivery date
External Adoptions	Roads and sewers need to be adopted by NCC Highways and Anglian Water, respectively.	Juliana Fox-River (Project Officer)	Sewers under monitoring period and roads to be inspected for monitoring period shortly.	30/09/2024
Internal Adoptions	Open Space areas to be transferred to POS maintenance	Sam Garrod (Clerk of Works)	Inspections have been conducted and remedial works in progress	30/09/2024
Handover of Management Company Land and Responsibilities	Management Company areas need to be transferred to residents	James Grant (Principal Project Manager)	Inspections have been conducted and paperwork being progressed with solicitors	31/12/2024

8. PERFORMANCE AGAINST PLAN

	Estimated	Actual	Comment
Costs	£18,565,720	£17,916,068	Project delivered under budget by mitigating sharp increase in prices through negotiation and bulk-purchasing of materials early in project where possible.
Staff Resource	1x Assistant Director; 1x Project Officer; 1x Clerk of Works; 1x Apprentice Clerk of Works; 1x Project Support Officer.	1x Assistant Director; 1x Principal Project Manager; 1x Project Officer; 1x Trainee Clerk of Works; 1x Apprentice Clerk of Works; 1x Project Support Officer.	Changes in personnel and team structure over project's lifetime
Timescales	125 weeks	131 weeks	The project was delivered six weeks behind schedule due to industry-related issues

9. LESSONS IDENTIFIED

A review exercise has been undertaken with both council and Lovell project members, which resulted in a number of learning opportunities. The table below summarises the key authority-wide's ones:

Area of work	Description of lesson learned	Recommendation / Action	Responsibility
Consultancy	Consultants performed generally well; however, a number were slow to respond to issues and enquiries. We believe this to be a result of general market pressure. Specifically, Engineering and Planning Consultancy Services fell below reasonable expectations.	Prior to appointment, the use of each consultant is agreed between BCKLWN and Lovell; should Lovell propose to use consultants that we believe did not perform in accordance with our expectations in previous schemes, we would like to review other options/ understand how they can now perform. Consultant SLA/ KPIs to be reviewed.	Corporate Project Team
Finance	Financial Performance overall particularly good; whilst labour and material costs did increase, sales inflation outpaced these increases (as expected); resulting in a significantly over-profit project.	Continuously monitor inflation and sales market; not assuming that the success in this project will be replicated. Procure materials and trades as early as possible to secure competitive prices.	Corporate Project Team and Delivery Partner
Programme	Programme was under significant pressure to deliver, due to ACP constraints. There was a total of 6 weeks' delay in the project, which is disappointing. However, during the project, there were a number of significant and compounding events that led to these delays, which include: subcontractors going into administration and supply chain failures from multiple suppliers. These were well-recognised industry issues in 2022-2023, post-Brexit, post-pandemic and during the ongoing war in Ukraine, resulting in significant inflation, material availability, fuel prices and labour availability.	Supply-chain issues have now largely been overcome in the marketplace. The Team have implemented periodic programme review and supply risk-assessment processes to help monitor project progress and programme risk to enable us to intervene and support the contractor should the programme look to be under pressure.	Corporate Project Team and Delivery Partner

Area of work	Description of lesson learned	Recommendation / Action	Responsibility
Safety	<p>Good performance and communication overall. Lovell conduct their own H&S inspections and most of the items raised were minor accidents or learning events. Security cameras did not prevent public gaining access and vandalism/ break-ins.</p>	<p>Contractor to ensure that the subcontractor's supervision is improved.</p> <p>BCKLWN Health & Safety Adviser will start to be more present on sites, which, in turn, could result in more lessons to be learned and shared amongst all parties.</p> <p>Both the remote security monitoring system (Armadillo units) and a security guard & dog proved to be a deterrent to site break-ins.</p>	Corporate Project Team, Building Health & Safety and Delivery Partner
Utilities	<p>The original proposal was to procure a multiservice supplier who would deliver all utility connection under a single appointment; however, they were not responsive, and services were then split out.</p> <p>Some service suppliers worked well and in a timely-manner (electricity and broadband); whilst others required more engagement from Lovell to attend the site.</p>	Continue investigating multiservice supplier options as a test to mitigate delays and multiple complex lines of communication.	Corporate Project Team and Delivery Partner
Quality	Generally acceptable; however, subcontractors were not taking ownership of their defects before leaving the plots. Lovell's quality control system does not capture all the items that the council's Clerk of Works inspect and report on.	Consider the requirements of subcontractors having to provide supervision services when procuring key trades. Work with Lovell to improve the use of the digital defect monitoring and reporting systems to guarantee that issues are dealt with before the plot is subject to inspection.	Corporate Project Team and Delivery Partner
Supply Chain	Subcontractor Performance Assessments completed prior to appointment by Lovell; however, this doesn't seem to result in subcontractors that meet quality and programme expectations.	Better procurement and subcontractor management to be in place. Current supply chain events could be more tailored to address ongoing issues.	Corporate Project Team and Delivery Partner
Sales	Performance against	Whilst the results were positive,	Corporate Project

Area of work	Description of lesson learned	Recommendation / Action	Responsibility
	expectations - 35 Open Market plots mainly sold to local people (75% of them benefited from Help to Buy scheme).	alternative ways of selling could be investigated in an attempt to reduce costs.	Team
Modern Methods of Construction	Use of i-House system (an example of Modern Methods of Construction - MMC) on first 24 units to speed up the delivery and, therefore reduce overhead costs, did not result in measurable benefits.	Continuously investigate the use of MMC in future schemes; being critical on their performance and cost benefits.	Corporate Project Team and Delivery Partner
Commuted Sum	Future maintenance liabilities of open space created by housing developments.	Consideration is needed on future developments to ensure that a commuted sum is factored into project costs that supports the Public Open Space Team with future maintenance liabilities	Corporate Project Team, Public Open Space and Delivery Partner

10. FURTHER POST-PROJECT REVIEW

Whilst several post-project activities remain outstanding, including road/ utility adoptions and transferring the management company over to residents, these tasks are standard processes for the department and do not require further specific post-project review.

Upon completion of the final “Major Housing” scheme, a post-programme review should be undertaken that will incorporate the NORA 4 project as well as other Major Housing projects.

It is recommended that this programme review should include:

- Programme Financial Return;
- Housing Delivery Outputs;
- Programme Social Value Outputs;
- Partnership Relationship and Structure;
- Outstanding actions; and,
- Lessons Learnt.

PROJECT-SPECIFIC ADDITIONS

11. SPECIFIC FUNDING REQUIREMENTS

This project benefitted from the Accelerated Construction Programme (ACP) grant from Homes England, which funded £1,340,000 to this scheme; and required the use of Modern Methods of Construction (MMC) to speed up the delivery of houses.

12. SUPPLIER RELATIONSHIPS

Lovell conducted supply chain conferences and the project has delivered newsletters and community engagement events.

13. FURTHER AND ONGOING SERVICE LEVEL AGREEMENTS (SLA)

Lovell's Builder Warranty customer care cover for two years; then NHBC for an extra eight (i.e., 10 years of cover.)

14. ADOPTIONS

The highways throughout the development are to be adopted following a maintenance period. The Corporate Projects Team will continue to manage and monitor this process.

Public open space is to be transferred into the responsibility of the council's Public Open Space Department. The Corporate Projects Team and Public Open Space Team work closely throughout the project to handover public open space that creates a high-quality built environment that can be efficiently managed using existing council resources.

As per lessons learnt, consideration is needed on future developments to ensure that a commuted sum is factored into project costs that supports the Public Open Space Team with future maintenance liabilities. Open Space on the NORA 4 development was designed to be minimal and have a limited long-term impact on the POS Team, however this was only possible due to the site's close proximity to existing areas of POS that residents have access to, therefore not requiring this on site.

15. MANAGEMENT COMPANY

As is standard on modern housing estates, Nar Valley Park Management Company Ltd has been established to facilitate the efficient management of communal, non-adoptable elements of the

development. The Borough Council has appointed a managing agent and is in the process of transferring the land from its ownership to the ownership of the Management Company. Each owner on the development is a shareholder in the Management Company and, once the council has transferred its land holdings, it will withdraw from the company to allow the agent, overseen by the homeowners, to manage the communal areas in the manner they require. The managing agent will collect a service charge from homeowners to pay for the operations and responsibilities of the company and its agent.

16. CREATING COMMUNITIES

The NORA 4 project was the first to host a "Creating Communities" event delivered by the authority.

The drop-in event brought together a range of partners, including the Borough Council of King's Lynn and West Norfolk, its Lily service and Beat Your Bills roadshow, Alive West Norfolk, Community Action Norfolk, Purfleet Pantry, Stories of Lynn and others to provide advice and information on services, facilities, and activities in the area.

The event, and the wider Creating Communities program within which it sits, aims to be a catalyst for community building. It does this by providing new residents with information on local services, giving them the opportunity to meet existing residents, and facilitating collaboration to create the community groups they require.

For example, at the South Lynn event, a number of residents, both new and existing to the area, requested a specific type of fitness class to be offered locally. Alive West Norfolk was able to facilitate the class, and conversations at the event helped secure a venue. The class has fostered connections between new and existing residents and remains active because it fulfils a demand raised then.