

Corporate Performance Panel Major Housing Review

Lookback from 2015 to Today

James Grant

Borough Council of
**King's Lynn &
West Norfolk**



Clarifications and Exclusions

- High level oversight of programme and its management
- Not specific, in depth performance review of individual projects – this is covered by the authorities formal “Post Project Review” process, presented to Member Major Projects Board
- Does not include Nora 1, 2 and 3 – delivered under different relationships (162 Units)
- Salters Road included within completed projects as works largely completed – however some works are outstanding, so performance is projected.
- Future CPP or R&D meeting may scrutinise more specific items following this presentation where needed



Key Aims

- Boost housebuilding in West Norfolk (4-5 years)
- Develop publicly-owned, previously undeveloped and challenging land
- Stimulate local economy
- Generate Council return
- Improve local facilities
- Leveraged Homes England's Accelerated Construction Programme (ACP) funding
- Target: 1,000 properties delivered (2015-2027)
- Build Market Leading – High Quality Housing



Difficult places at difficult times

- Poor Ground Conditions
 - Low Housing Values
 - Areas other developers where not interested
-
- Post 2008 Financial Crash
 - Throughout Covid
 - Housing Market Contraction

Governance

- Managed by Corporate Projects Team
- Regeneration, Housing & Place
- Project Team > James Grant > Duncan Hall > Kate Blakemore
- Portfolio Holder – Cllr Beales
- Quarterly Highlight Reports
- Assurance provided by Officer and Members Major Project Boards

- Governance Under Review
 - Programme Board
 - Delegated Authority
 - Agile Decision Making (in accordance with contractual requirements)



Who are Lovell Partnerships Ltd



- **Part of Morgan Sindall Group plc:** A major UK construction and regeneration group.
- **Leading Partnership Housing Provider:** Specialises in delivering housing through collaboration.
- **Comprehensive Services:** Builds, refurbishes, regenerates, and maintains homes across the UK.
- **Focus Areas:** Includes new-build, affordable, build-to-rent, open market, refurbishment, later living, and strategic land.
- **Established Expertise:** Over 50 years' experience in UK partnership housing.
- **Nationwide Presence:** Regional offices across England, Scotland, and Wales.
- **Strong Partner Relationships:** Works closely with local authorities, housing associations, etc,

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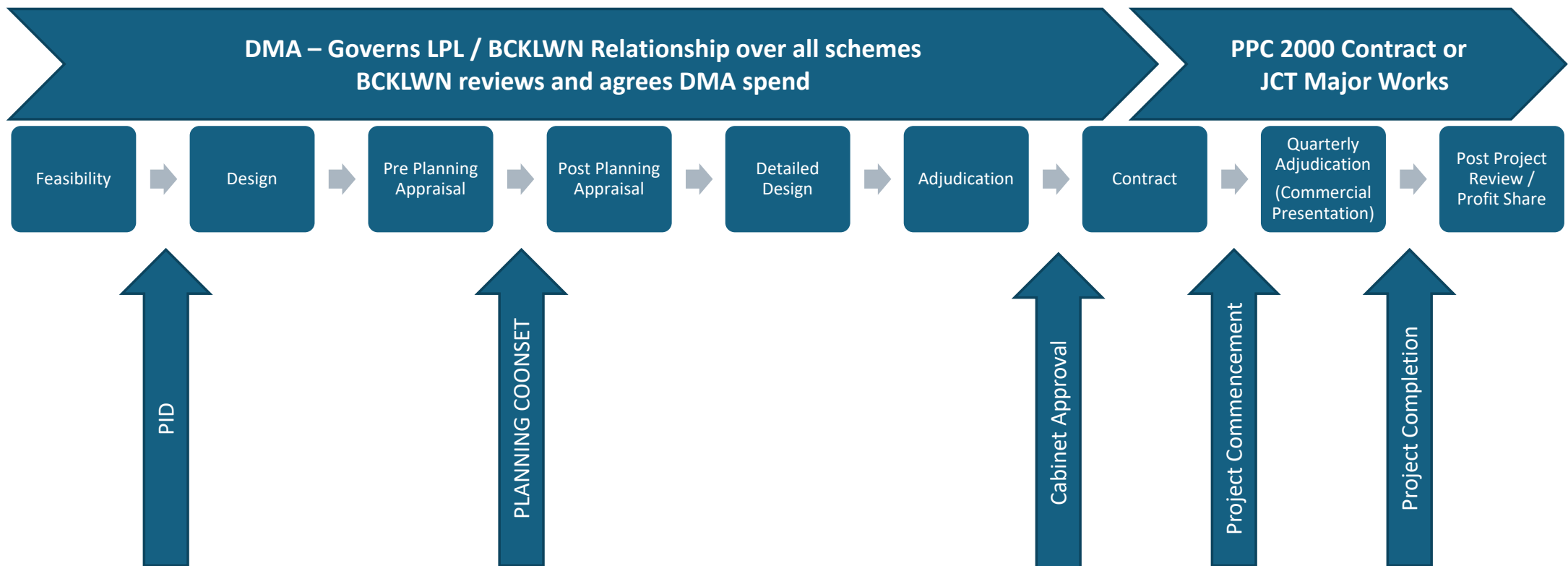
Lovel Partnership



- Appointed Via Competitive Negotiation Process
- Contractual Framework
- Two-tiered structure governs Council and Lovell partnership.
- 1. Development Management Agreement (DMA):
 - Overarching document defining partnership structure and governance.
 - Crucial for pre-construction phases and strategic framework.
- 2. PPC2000 Contract:
 - Used for each individual project.
 - Cost-plus basis with a profit-share mechanism.
 - Incentivises Lovell to manage costs efficiently and maximize sales.



Project Process



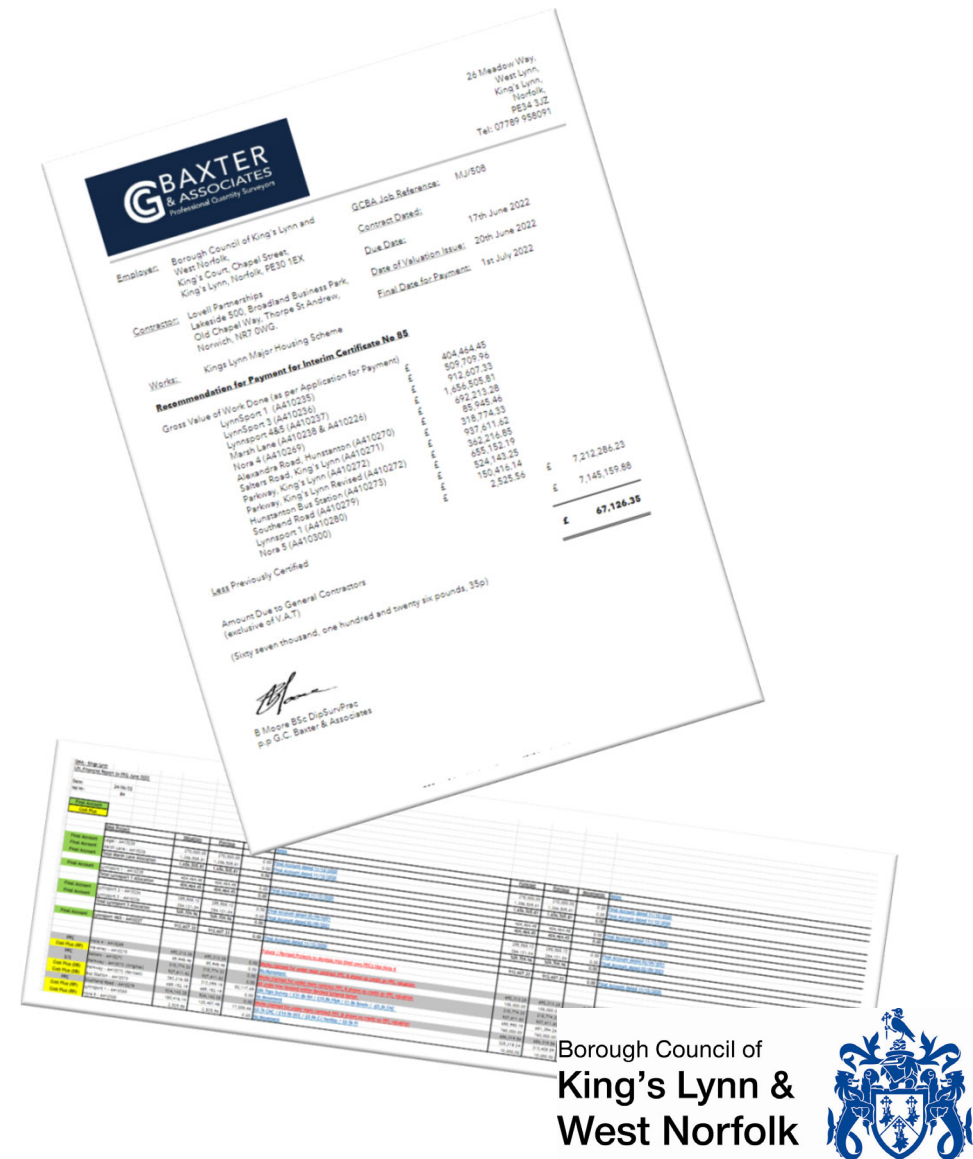
Authorisation to Enter

- The Project Partnering Contract (PPC) is a target framework agreement, not a fixed-cost contract.
- The Borough Council authorises and records each subcontract let by Lovell via the Authorisation to Enter Process.
- Lovell is incentivised to beat their target costs through a profit-sharing system.
- For example, on NORA 4, the Borough Council reviewed 28 sub-contractor packages.
- Overspend authorisations are triaged based on the sub-contract's size and total project impact.

| LOVELL | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| AUTHORISATION TO ENTER INTO SUBCONTRACT | | | | | | | | | |
| Site Name / At Site Set-up: | | Southend Road, Histonston | | Contract No: | | A410279 | | FORM: 107 2012 (Rev 01/10/11) | |
| Package: | | Structural Steel | | Nature of S/C: | | Design, Supply & Execute | | Main Contract Completion Dates | |
| SUBCONTRACTORS NAME with chosen subcontractor first: | | (Not the best bid) | | Total Discount | | Un-priced items to be provided by LPL | | Fixed Price Allowance | |
| 1 Crofton Engineering Ltd | | 162,387 | | 162,387 | | 2,556 | | 164,943 | |
| 2 Shaun Hodgson Engineering Ltd | | 199,564 | | 199,564 | | 2,556 | | 162,111 | |
| 3 JTT Consultancy Ltd | | 165,940 | | 165,940 | | 2,556 | | 168,496 | |
| 4 John Fabrication Ltd | | 182,527 | | 182,527 | | 2,556 | | 185,083 | |
| 5 ABC Fabrications Ltd | | 202,500 | | 202,500 | | 2,556 | | 205,056 | |
| Name of chosen subcontractor: | | ABC Fabrications Ltd | | Adjusted net tender of chosen subcontractor | | Actual LPL Tender Value | | £164,942.69 | |
| Name of subcontractor used at tender stage: | | ABC Fabrications Ltd | | Current PPR allowance: | | Profit] | | £164,942.69 | |
| Has subcontractor completed a Vendor Registration form? | | Yes | | Historical m2 rate, per net floor area: | | £0.00 | | £0.00 | |
| Has the subcontractor worked for Lovell Partnerships before? | | Yes | | Comments (in particular, any relevant subcontractors, qualifications, non-compliance etc): | | Due to the volatility of steel the package was sent out to 9 companies. Of the 9 the steel was declined. Crofton were originally going to carry out the steel works, frame to the Bus Station. However, Crofton have been more competitive in offering correct number of visit logistics are optimised. Although are currently to place up circa 3m of additional steel in order to ensure correct construction issue drawings that is currently being challenged. The steel materials value shown as value as covered in order, remaining value from this reserved as unpriced items. | | Adjusted net tender of chosen subcontractor is working for Lovell, Bus Station, Histonston | |
| Do they accept Lovell terms and conditions, un-amended? | | Yes | | No bond or PCG required. | | No | | No | |
| Does the subcontractors Quality Management Systems meet Lovell requirements? | | Yes | | CROFT-003 | | Yes | | Yes | |
| Parent Company Guarantee / Performance Bond to be obtained? [A bond or PCG must be obtained for S/C orders in excess of £500k.] | | Yes | | S/C has valid certificate on Insurance Register | | P.I Insurance Register has current cert of sufficient value. | | No check carried out | |
| Warranties to be supplied? | | No | | 26-Sep-22 | | 13-Nov-23 | | 59 WEEKS | |
| Has the subcontractor's COINS account number? | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Assessments been received? | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Are relevant parts of main contract Health and Safety Plan been issued to the subcontractor? | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Is the S/C's EHS & PL Insurance up to date? | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Has Professional Indemnity Insurance cover been checked if applicable & is the policy up to date? | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Result of Financial Check: | | Yes | | 2 weeks | | 2 weeks | | 2 weeks | |
| Date of Commencement & Completion, (Approximate): | | 26-Sep-22 | | 13-Nov-23 | | 59 WEEKS | | 2 weeks | |
| Duration of subcontract Works: | | 26-Sep-22 | | 13-Nov-23 | | 59 WEEKS | | 2 weeks | |
| Subcontractor notice Period: | | 26-Sep-22 | | 13-Nov-23 | | 59 WEEKS | | 2 weeks | |
| MAIN CONTRACT CONDITIONS | | S/C FIXED PRICE PERIOD: | | JCT 2005 Design & Build | | JCT 2005 Design & Build | | JCT 2005 Design & Build | |
| BASIS OF SUBCONTRACT: | | Payment Type/Cont Sum Analysis | | Interim Date () | | Interim Date () | | Interim Date () | |
| PAYMENT TERMS: | | CITB: (if S/C does not provide the major materials, then CITB deduction applies) | | Lump Sum | | Lump Sum | | Lump Sum | |
| CITB: (if S/C does not provide the major materials, then CITB deduction applies) | | Matrix - stage payments | | Monthly 49 days | | Monthly 49 days | | Monthly 49 days | |
| This authorisation is to be approved and signed prior to the establishment of a contractual relationship with the chosen subcontractor and their commencement on the project. | | Discount % | | VAT STATUS | | SUBCONTRACT GROSS SUM: | | DISCOUNT (AS ABOVE) | |
| Recommendation issued by | | Signature | | Date | | Approval given by | | Signature | |
| Surveyor / Buyer | | Signature | | Date | | Approval given by | | Signature | |
| Site Manager | | Signature | | Date | | Approval given by | | Signature | |
| HQ/COS | | Signature | | Date | | Approval given by | | Signature | |
| Regional Director | | Signature | | Date | | Approval given by | | Signature | |
| 13/07/2022 | | 13/07/2022 | | 13/07/2022 | | 13/07/2022 | | 13/07/2022 | |

GC Baxter & Associates

- GCBA's Ben Moore acts as the Borough Council's Quantity Surveyor.
- All costs are "open book," meaning GCBA can request any financial data.
- GCBA performs a monthly general review and periodic audits on specific cost items (e.g., fuel spend).
- GCBA provides the Borough Council with a payment recommendation, draft payment certificate, and a financial report.
- The team then issues payment certificates to Lovell for invoicing after their review.



Sales Release

- Target sales costs are provisional.
- The team authorises each property for sale using a sales release process.
- Lovell provides local market research for each property, including the proposed marketing price.
- This is reviewed against independent red-book valuations.

LOVELL HOMES

TO: Juliana Fox-River/David Ousby

Plot 59 Gainsborough ET 2 x PS 663 SQ. FT. BUILD STAGE BUILD POREC ASY DATE PREVIOUS PRICE ACHIEVED DATE OF PREVIOUS PRICE RELEASE PRICE E/PS INCENTIVE NETT PRICE £ PPR

Plot 60 Gainsborough ET 2 x PS 663 Roof Trusses Dec 2021 N/A N/A N/A E190,000 E287 E500 towards legal fees paid E189,500 E175,000

Plot 61 Gainsborough ET 2 x PS 663 Roof Trusses Dec 2021 N/A N/A N/A E185,000 E279 E500 towards legal fees paid E184,500 E170,000

SIGNED REGIONAL SALES DIRECTOR Adrian Garwood DATE 24/09/2021 SIGNED REGIONAL MANAGING DIRECTOR

COPY DISTRIBUTION: SALES EXECUTIVE / REGIONAL OFFICE

MARKET RESEARCH

NORA 4

Regional Sales Manager

Date completed: 27th September 2021

Infrastructure First

Borough Council of
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Looking Back

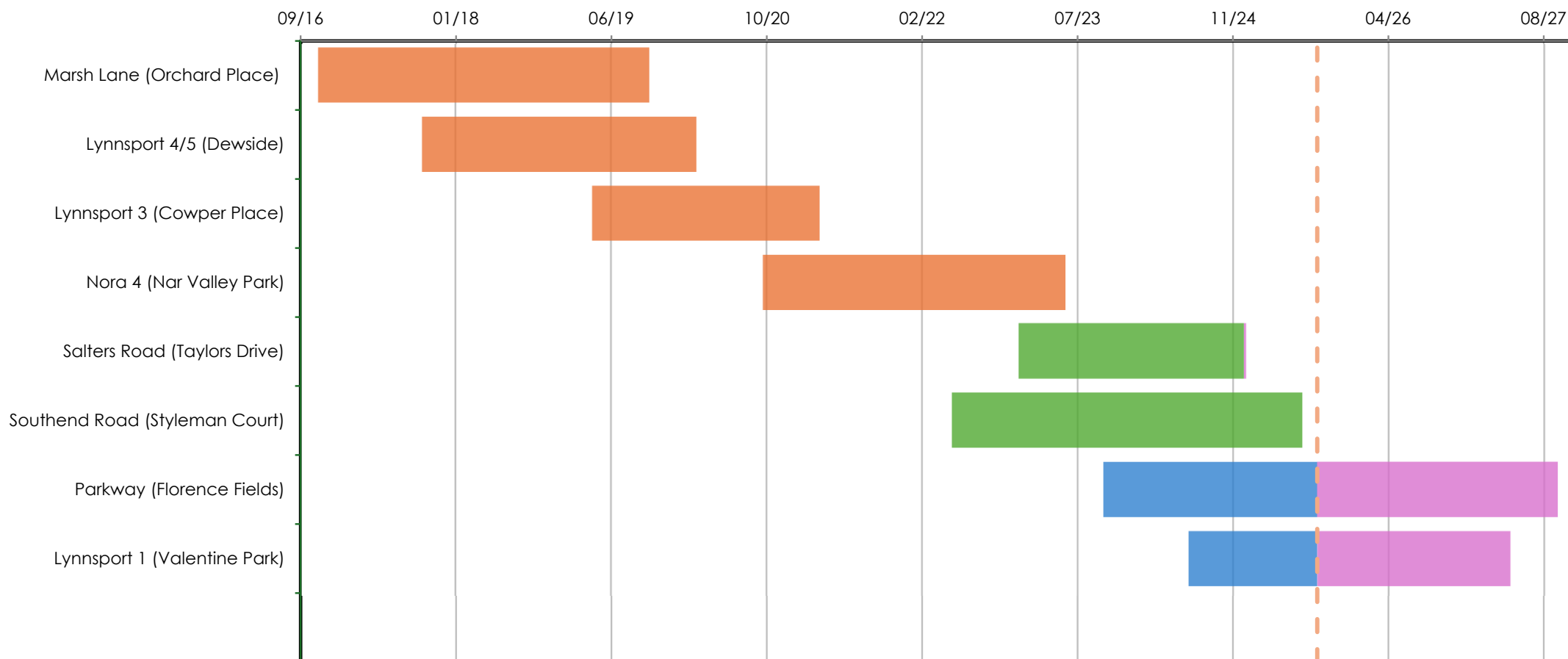
Projects Completed

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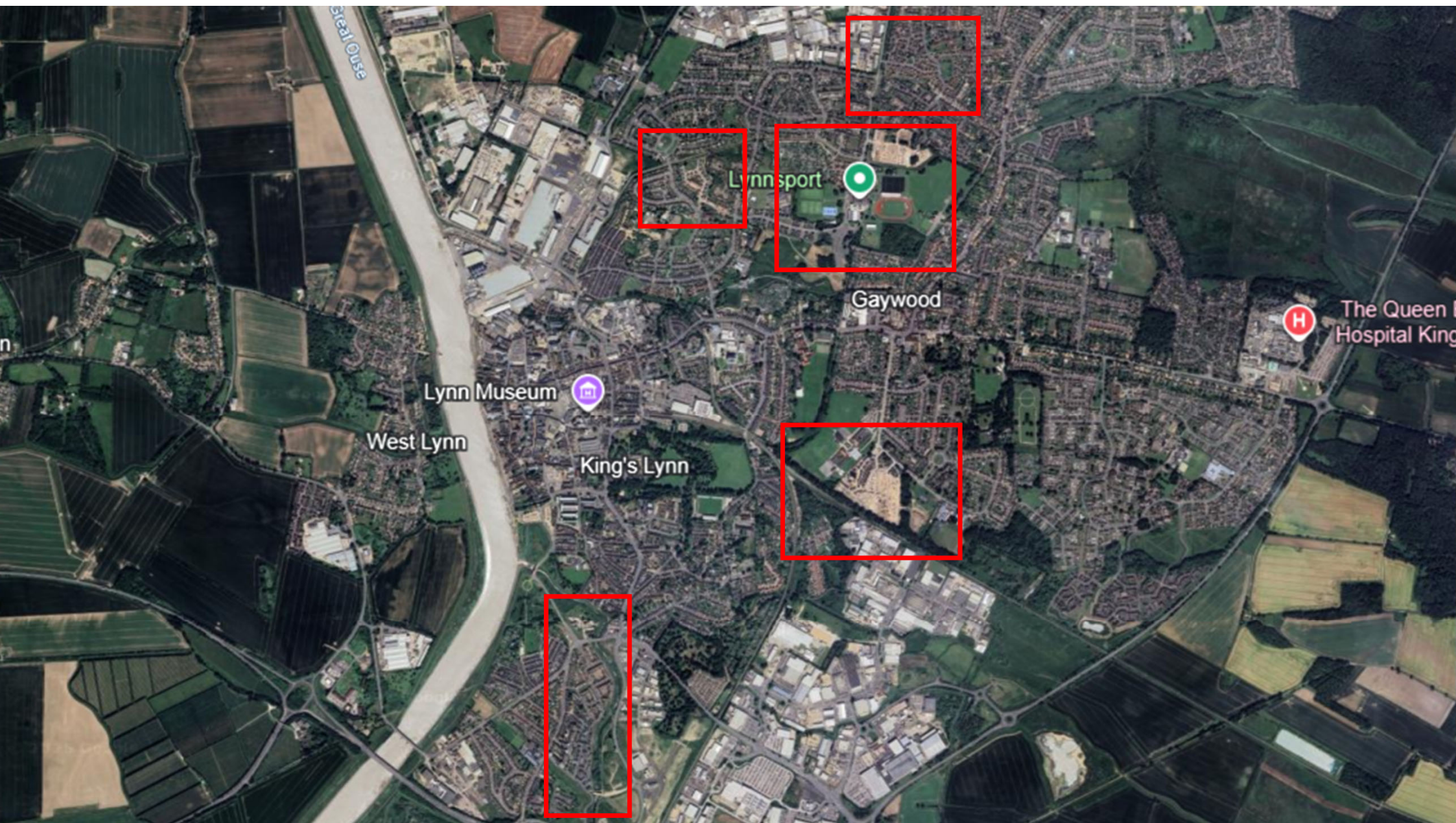




Projects Completed











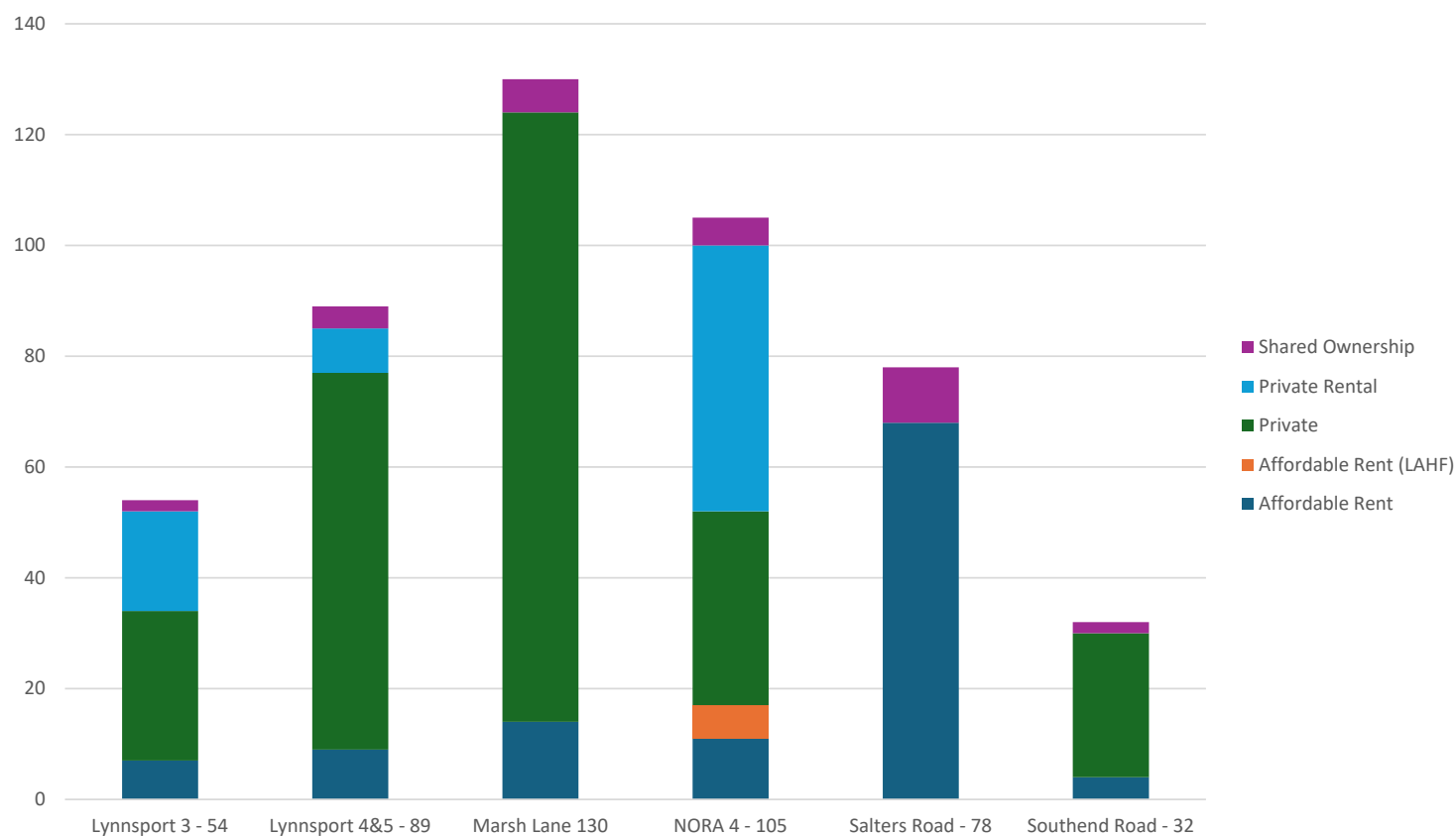




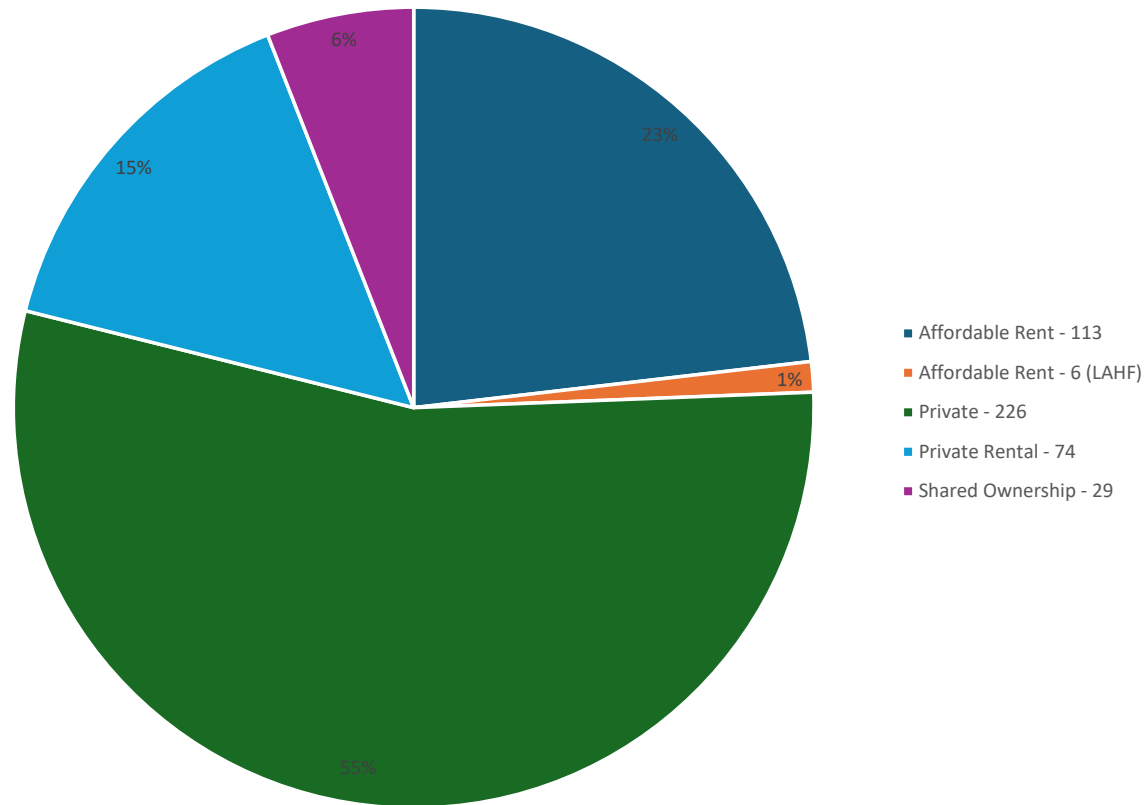




Projects Completed – Housing Output (488)



Projects Completed – Housing Output - 488



Projects Completed – Finances

| Site | Projected Profit @ Commencement | Actual Profit @ Completion | +/- |
|------------------------------|---------------------------------|----------------------------|-----------------|
| Orchard Place (Marsh Lane) | <u>£1,048,429</u> | <u>£1,255,219</u> | <u>£206,790</u> |
| Dewside (Lynnsport 3) | <u>£1,217,233</u> | <u>£1,560,667</u> | <u>£343,435</u> |
| Cowper Place (Lynnsport 4&5) | <u>£371,365</u> | <u>£529,671</u> | <u>£158,306</u> |
| Nar Valley Park (NORA 4) | £460,000 | £2,849,222 | +£2,389,222 |
| Salters Road (Taylors Drive) | £100,000 | £644,153 | +544,153 |
| Total | £3,197,027 | £6,838,932 | £3,641,905 |

Looking Forward

Projects Ongoing

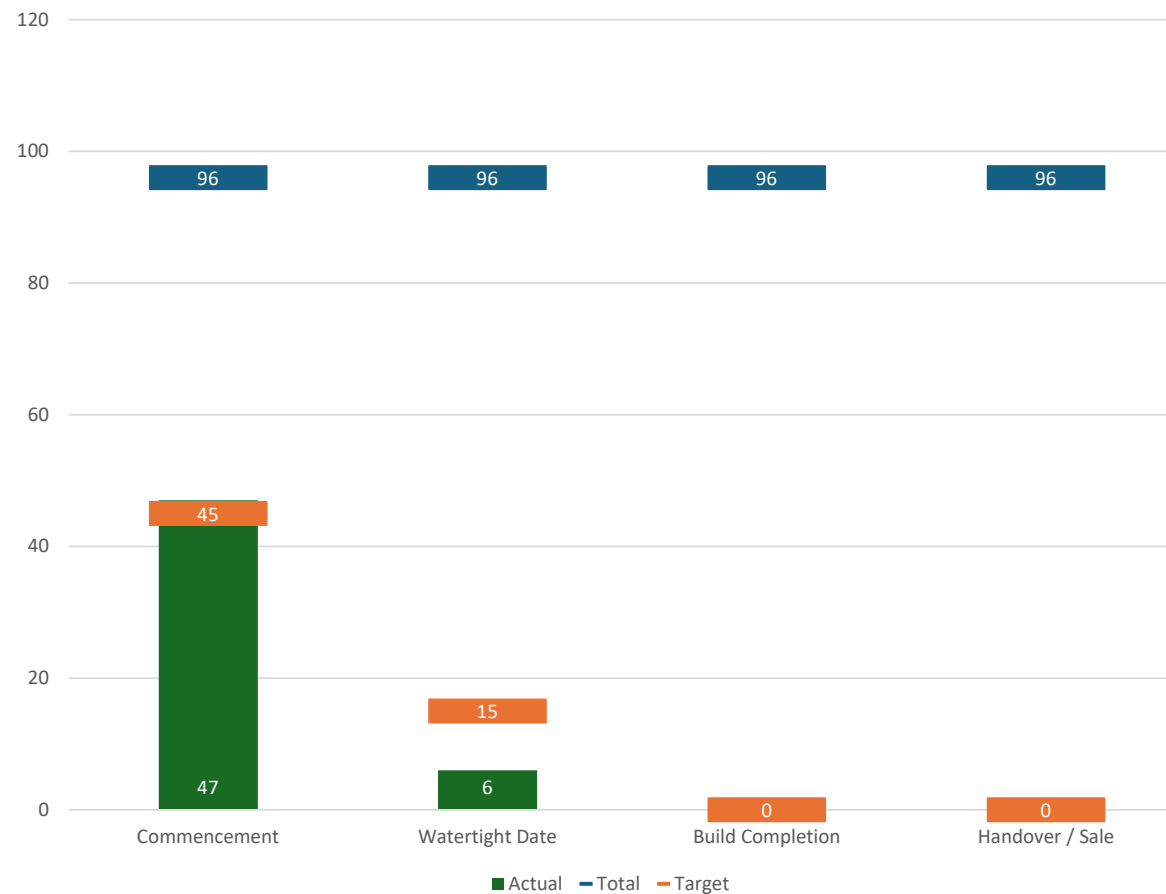
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Projects Ongoing – Lynnsport 1 (Valentine Park)



Lynnsport 1 (Valentine Park) – Key Risks

| Risk | Comments |
|-----------------|---|
| Build Cost | <ul style="list-style-type: none">- Building costs have increased significantly.- We need to manage this diligently.- Identify potential savings without negatively impacting the final values. |
| Housing Market | <ul style="list-style-type: none">- Housing market is challenging.- Pace of sales may be slower than projected.- Reviewing options to mitigate this by changing tenure. |
| Local Residence | <ul style="list-style-type: none">- The project is still impacting local residents, though this is minimising- We need to keep reducing disruption for our neighbours.- Key concerns for residents are dust and the impact of piling. |
| Staffing | <ul style="list-style-type: none">- The project needs a strong team from both Lovell and BCKLNW.- The loss of key Lovell staff is being monitored due to recent internal changes. |



FLORENCE FIELDS

King's Lynn

Borough Council of
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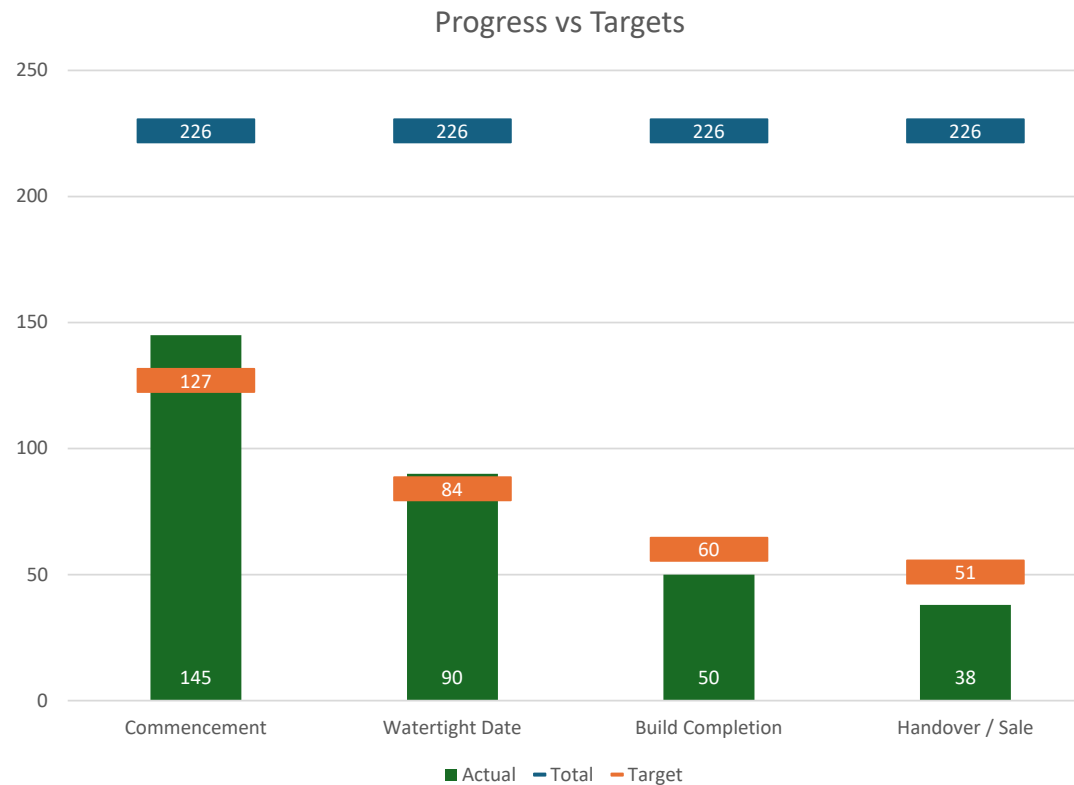




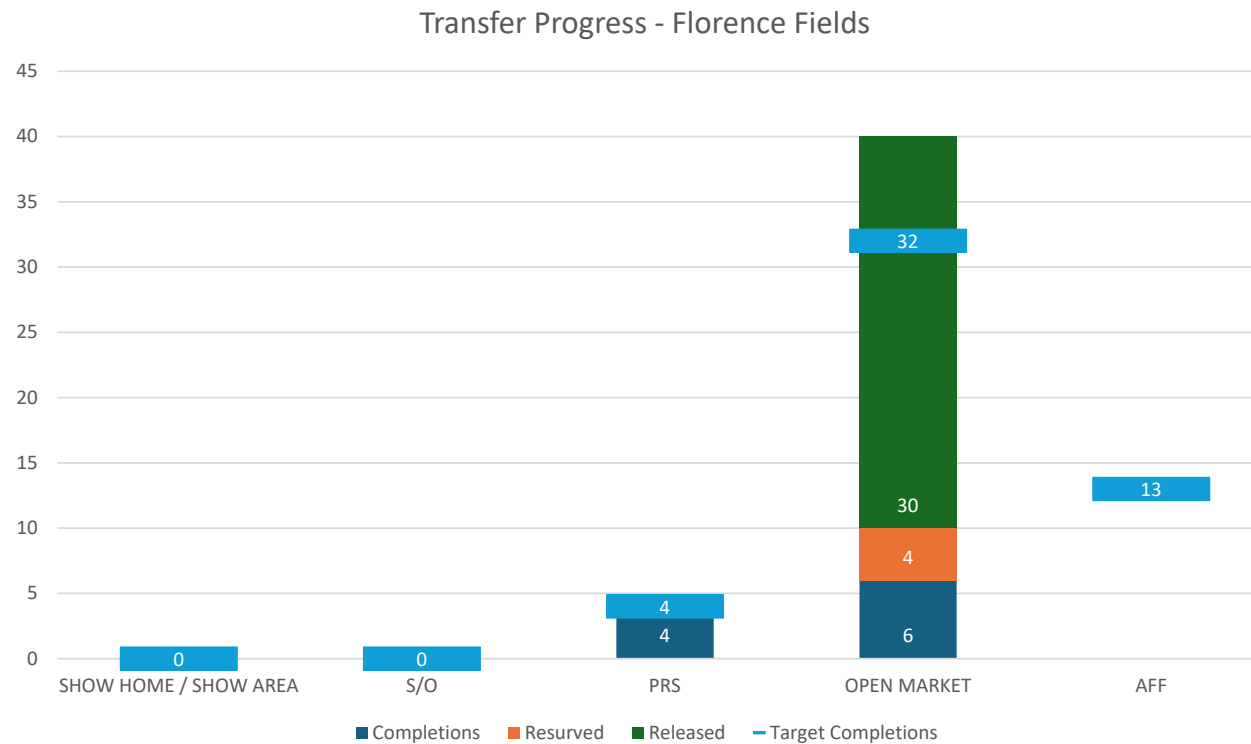
Parkway (Florence Fields) – Key Risks

| Risk | Comments |
|-----------------------|--|
| Build Cost | Build costs have increased significantly since the start of the project. We need to diligently manage this by identifying potential savings that won't negatively impact the final disposal values. |
| Housing Market | The current housing market is very challenging, and the pace of sales is significantly slower than projected. We are reviewing options to mitigate this through changes to our tenures. |
| Ground Conditions | Ground conditions in the final phase are proving more challenging than expected. This will require piling instead of the traditional footings we had planned for. We need to update the cost projections and programme to accommodate these necessary changes. |
| Local Residence | The project continues to have an impact on local residents. While this impact is minimising as works progress, we need to maintain careful consideration to reduce disruption for our neighbours. |
| Section 278 Agreement | Negotiations with NCC are ongoing regarding proposed local highway improvements. While the project budget includes an allowance for these works, the full scope is not yet agreed upon, which poses a risk. |
| Staffing | This project requires a strong project team, both at Lovell and BCKLWN. The loss of key Lovell staff is being monitored as a result of recent internal changes at Lovell. |

Projects Ongoing – Parkway (Florence Fields)



Projects Ongoing – Parkway (Florence Fields)



As of 14/08/2025

Related Works & Activities

to Major Housing Programme

Borough Council of
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Social Value

The National TOMs (Themes, Outcomes, and Measures) are a framework used in the UK to measure and report social value, especially in public sector contracts. They help organisations quantify the positive social, economic, and environmental impact of their work.

What are the TOMs?

- Themes: Broad areas of focus like Work (e.g., creating jobs), Economy (supporting local businesses), Community (engaging locally), Planet (environmental efforts), and Innovation.
- Outcomes: Specific goals under each theme, such as "creating employment for disadvantaged people."
- Measures: Quantifiable ways to track these outcomes, for instance, "number of local apprenticeships provided." They also include "proxy values" to put a financial figure on these social benefits.

Why are they important?

- Standardisation: They offer a consistent way to measure social impact, making it easier to compare projects.
- Accountability: They help organisations show how they're contributing beyond just profit.
- Procurement: Often a requirement for winning public sector contracts in the UK, driven by the Public Services (Social Value) Act 2012.

While widely used by councils, central government often uses the Social Value Model (similar principles). The National TOMs are updated annually by the Social Value Portal and the National Social Value Taskforce.



Balfour Beatty



BARINGS



BT Group



energy
saving
trust



Goram
Homes



GREATER
LONDON
AUTHORITY

HAYS



LOVELL
PARTNERSHIPS



MARS



MULTIPLEX



Salford City Council

Sanctuary



serco



SIEMENS
energy



STAR
PROCUREMENT



Wates



wsp

Social Value

| | |
|--|--------------------|
| Total amount (£) spent through the contract with local MSMEs - NT19 | £29,340,000 |
| Savings in CO2e emissions on contract achieved through de-carbonisation - NT31 | 121.45 |
| Hard-to-recycle waste diverted from landfill/incineration - NT72 | 11.44 |
| Total amount (£) spent in local supply chain through the contract - NT18 | £59,731 |
| Reduce waste through reuse of products and materials - NT88 | 187.51 |
| Social Value delivered | £161,946 |
| Local Economic Value delivered | £20,857,561 |
| Jobs: Promote Local Skills and Employment | £868,500 |
| Social: Healthier, Safer and more Resilient Communities | £3,189 |
| Growth: Supporting Growth of Responsible Regional Business | £20,093,708 |
| Environment: Decarbonising and Safeguarding our World | £53,909 |
| Local Employment - Social Value delivered (£) | £765,065 |
| Local Employment - Units delivered (people) | 27 |
| Apprenticeships - Social Value delivered (£) | £100,711 |
| Apprenticeships - Units delivered (weeks) | 400 |

Social Value

| | |
|--|----------------|
| Training Opportunities - Social Value delivered (£) | £1,907 |
| Training Opportunities - Units delivered (weeks) | 6 |
| MSME Spend - Social Value delivered (£) | £20,051,679 |
| MSME Spend - Units delivered (£) | £29,343,198 |
| Local Spend - Social Value delivered (£) | £40,817 |
| Local Spend - Units delivered (£) | £59,731 |
| Volunteer Hours - Social Value delivered (£) | £389 |
| Volunteer Hours - Units delivered (hours) | 24 |
| Community Support - Social Value delivered (£) | £3,000 |
| Community Support - Units delivered (£) | £3,000 |
| Staff Support - Social Value delivered (£) | £1,212 |
| Carbon Reduction - Social Value delivered (£) | £29,710 |
| Carbon Reduction - Units delivered (tCO2e) | 121 |
| Waste Reduction - Social Value delivered (£) | £24,199 |
| Waste Reduction - Units delivered (tonnes) | 250 |

Creating Communities



Creating Communities

A Place Directorate Initiative

Delivered in Partnership between Corporate Projects, Lily & Alive West Norfolk

“Be a catalyst for community”

Borough Council of
**King's Lynn &
West Norfolk**



Creating Communities

- Provide Community Information
 - Public Services
 - Citizens Advice
 - Foodbank
 - Community Transport
 - Local Amenities
 - Libraries
 - Allotments
 - Schools
 - Community Groups
 - Youth Groups
 - Etc.
- Borough Council Services
 - Alive Leisure
 - Town Hall
 - Buyer Discounts
- Creating Communities Event
 - Corporate Projects Team
 - LILY
 - Alive Leisure
 - NHS
 - Police
 - Community Action Norfolk
 - Freebridge Community Housing
 - Religious Groups
 - Etc.
- Community Events (in partnership with Alive)
 - Street Games
 - Walking Groups
 - Community Football



Lessons Learnt





Major Housing Lessons Identified

| Project | Name | Issues | Lesson Learnt |
|-----------|----------------------|--|---|
| NORA | Management Companies | <ul style="list-style-type: none"> The land transfer for the management company is at risk because the initial setup was not consistent and incorrect. Key elements were missing from the start, including a suitable managing agent, a board of directors, and proper controls. This incorrect setup delays the transfer, prolonging liability and risk. | <ul style="list-style-type: none"> Prioritise a correct initial setup. Ensure all necessary steps are completed from the very beginning. Use a pre-commencement checklist to confirm that a suitable managing agent is appointed and a functional board of directors is in place. Acting proactively will allow for the earliest possible land transfer, which minimises ongoing risk and liability. |
| All Sites | Utility Adoptions | <ul style="list-style-type: none"> Without a standardised process for tracking utility adoptions, it's difficult to ensure consistency across all sites. A lack of regular meetings means there is no formal way to monitor progress effectively. Delays in transferring ownership expose the project to ongoing risk. | <ul style="list-style-type: none"> Implement a standardised process to ensure a consistent approach to tracking all utility adoptions. Hold regular meetings with all relevant parties to proactively monitor progress and address any issues promptly. Focus on transferring ownership as early as possible to minimise risk and liability. |
| All Sites | Risk Allocation | <ul style="list-style-type: none"> A council might try to save money on construction by holding risk themselves instead of paying a contractor's premium. This is a significant risk because if the council doesn't have a skilled team, they could face major financial liabilities. | <ul style="list-style-type: none"> Only hold risk if your team has the skills to manage it. Before committing to this strategy, a council must honestly assess its internal expertise. Be selective about projects. This approach should be used only on projects where the potential rewards outweigh the financial liability and the council is confident in its ability to handle any issues. |



Major Housing Lessons Identified

| Project | Name | Issue | Lesson Learnt |
|-----------|--------------------------|---|---|
| All Sites | Ground Conditions | <ul style="list-style-type: none"> Poor ground conditions, specifically peat, in King's Lynn led to underestimated project costs. Project budget must account for the high costs of peat removal and disposal or the necessary piling. | <ul style="list-style-type: none"> Conduct enhanced ground investigations on all future projects in this region. Require a preliminary design and cost model that includes the full, realistic costs for piling and ground material disposal from the very beginning. |
| Parkway | Sub-Contractor Oversight | <ul style="list-style-type: none"> Poor sub-contractor administration can have a major negative impact on the entire partnership. There must be rigorous management framework in place to handle sub-contractors effectively. The current process must assess the risk of a sub-contractor to the whole programme, only to individual sites. | <ul style="list-style-type: none"> Implement a more rigorous sub-contractor management framework. This should be a top priority. Conduct independent financial checks and request regular performance updates from Lovell. This provides an additional layer of oversight. Assess sub-contractor risk to the entire programme, not just to individual sites. This holistic approach prevents a single issue from jeopardising the wider project. |
| NORA 4 | Material Procurement | <ul style="list-style-type: none"> Material procurement is often reactive, leaving projects vulnerable to supply chain risks. Without a clear strategy, there is no plan to handle issues like material shortages, delays, or rising costs. | <ul style="list-style-type: none"> Establish a proactive material procurement strategy. This involves ordering materials early and securing supply agreements with key vendors. Create contingency plans to manage any potential disruptions. |
| All Sites | Remove Silo Working | <ul style="list-style-type: none"> A lack of cross-functional project teams and regular inter-departmental meetings is a potential problem. This could lead to poor communication and collaboration, creating departmental silos. Such a setup is prone to issues stemming from a lack of shared understanding and coordinated effort. | <ul style="list-style-type: none"> Establish cross-functional project teams to ensure all relevant departments are involved from the start. Implement regular inter-departmental meetings to facilitate communication and monitor progress. This proactive strategy can prevent silos, promote a shared vision, and minimise risks associated with poor communication. |



Major Housing Lessons Identified

| Project | Name | Issue | Lesson Learnt |
|----------------------|----------------------|---|--|
| NORA 4 | Creating Communities | <ul style="list-style-type: none"> By proactively adopting the "Creating Communities" approach, you can ensure new housing developments feel integrated with their surroundings. This allows you to build strong, cohesive communities from the very beginning. | <ul style="list-style-type: none"> Consider the "Creating Communities" approach early in the process. Engage future residents from the outset to allow them to provide input and help shape their new community. This investment in long-term success creates a vibrant place where people want to live and helps integrate new communities with existing ones. |
| Parkway / Salters | Newsletters | <ul style="list-style-type: none"> By standardising the approach to project newsletters, you can ensure consistent, high-quality communication across all sites This proactive strategy fosters transparency and keeps stakeholders informed and engaged. | <ul style="list-style-type: none"> Standardise the approach to project newsletters across all sites to ensure a uniform and professional appearance. Develop a formal communications plan that includes a regular publishing schedule to ensure consistency. Focus on relevant content and an effective distribution method to reach the target audience and maximise engagement. |

Questions

(Pre-exempt session)

